MONTANA LEGISLATIVE HISTORY

Chapter 295 19 93

Bill H _____ S 163 Original bill & history ✓ C

H. Committee on Labor & Employment		S. Committee on Labor & Employment	
Hearing Date(s) 3-16	___C	Hearing Date(s) 1-28	___C
3-18	___C	2-4	___C
_____	___C	2-11	___C
_____	___C	_____	___C
Date Out 3-18	___C		

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

H. Workers' Comp Select Committee

Hearing Date(s) 3/3

3/10 SIGNED BY GOVERNOR
CHAPTER NUMBER 88
EFFECTIVE DATE: 03/10/93

SB 162 INTRODUCED BY GAGE

INCREASE TAX RATE ON VALUE OF RESIDENCES OVER $200,000

1/15 INTRODUCED
1/15 FISCAL NOTE REQUESTED
1/15 REFERRED TO TAXATION
1/15 FIRST READING
1/20 FISCAL NOTE RECEIVED
1/22 FISCAL NOTE PRINTED
1/26 HEARING
1/29 TABLED IN COMMITTEE

SB 163 INTRODUCED BY HARP, ET AL.

CREATE SAFETY CULTURE ACT REQUIRING EMPLOYERS TO ESTABLISH SAFETY PROGRAMS

BY REQUEST OF GOVERNOR

1/15 INTRODUCED
1/15 REFERRED TO LABOR & EMPLOYMENT RELATIONS
1/15 FISCAL NOTE REQUESTED
1/15 FIRST READING
1/25 FISCAL NOTE RECEIVED
1/26 FISCAL NOTE PRINTED
1/28 HEARING
2/12 COMMITTEE REPORT—BILL PASSED AS AMENDED
2/18 2ND READING PASSED 48 0
2/19 3RD READING PASSED 50 0

TRANSMITTED TO HOUSE
2/23 REFERRED TO WORKERS' COMP SELECT COMMITTEE
2/23 FIRST READING
3/03 HEARING
3/11 COMMITTEE REPORT—BILL CONCURRED AND RECREFERRED TO LABOR & EMPLOYMENT RELATIONS
3/16 HEARING
3/20 COMMITTEE REPORT—BILL CONCURRED
3/24 2ND READING CONCURRED 95 3
3/25 3RD READING CONCURRED 94 4

RETURNED TO SENATE
3/31 SIGNED BY PRESIDENT
4/02 SIGNED BY SPEAKER
4/05 TRANSMITTED TO GOVERNOR
4/09 SIGNED BY GOVERNOR
CHAPTER NUMBER 295
EFFECTIVE DATE: 07/01/93—SECTIONS 5, 8, 16
EFFECTIVE DATE: 01/01/94—SECTIONS 1-4, 6, 7, & 9-15

SB 164 INTRODUCED BY HARP, ET AL.

CREATE A WORKERS' COMPENSATION FRAUD INVESTIGATION AND PROSECUTION OFFICE IN THE DEPARTMENT OF JUSTICE

BY REQUEST OF GOVERNOR

1/15 INTRODUCED
1/15 REFERRED TO LABOR & EMPLOYMENT RELATIONS
1/15 FISCAL NOTE REQUESTED
1/15 FIRST READING
1/25 FISCAL NOTE RECEIVED

SENATE BILL NO. 163

INTRODUCED BY HARP, DRISCOLL, B. BROWN, TOWE, HALLIGAN, BECK, BURNETT, GAGE, MESAROS, ORR, WAGNER, KENNEDY, BRANDEWIE, CRIPPEN, BENEDICT, WILSON, VAN VALKENBURG, YELLOWTAIL, BLAYLOCK, AKLESTAD, GRINDE, BERGSAGEL, LYNCH, COCCHIARELLA, QUILICI, MERCER, WANZENRIED, HIBBARD, J. RICE, DOWELL, SWYSGOOD, SCHYE, STRIZICH, HERRON, BOHARSKI, NATHE, HARDING, DEVLIN, JERGESON, SWIFT, HERTEL, HAGER, TVEIT
BY REQUEST OF THE GOVERNOR

IN THE SENATE

JANUARY 15, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
	FIRST READING.
FEBRUARY 12, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 13, 1993	PRINTING REPORT.
FEBRUARY 18, 1993	SECOND READING, DO PASS.
FEBRUARY 19, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1993	INTRODUCED AND REFERRED TO SELECT COMMITTEE ON WORKERS' COMPENSATION.
	FIRST READING.
MARCH 11, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
	ON MOTION, REREFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
MARCH 20, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 24, 1993	SECOND READING, CONCURRED IN.

MARCH 25, 1993

THIRD READING, CONCURRED IN.
AYES, 94; NOES, 4.

RETURNED TO SENATE.

IN THE SENATE

MARCH 26, 1993

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

LC 0896/01

BILL NO. 163

INTRODUCED BY HARP

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE MONTANA SAFETY CULTURE ACT; REQUIRING EMPLOYERS TO ESTABLISH SAFETY PROGRAMS; REQUIRING SAFETY TRAINING AND EDUCATION PROGRAMS; REQUIRING WORKERS' COMPENSATION INSURERS TO PROVIDE SAFETY CONSULTATION SERVICES; GRANTING IMMUNITY TO INSURERS FOR CERTAIN OCCURRENCES; CREATING A SAFE EMPLOYMENT EDUCATION AND TRAINING ADVISORY COMMITTEE; ALLOWING THE STATE FUND TO IMPLEMENT VARIABLE PRICING LEVELS; ALLOWING THE STATE FUND TO PLACE A SURCHARGE ON HIGH-LOSS EMPLOYERS; AMENDING SECTION 39-71-2311, MCA; AND PROVIDING EFFECTIVE DATES."

STATEMENT OF INTENT

A statement of intent is required for this bill because [section 5] authorizes the department of labor and industry to adopt rules to implement safety programs and to stimulate the creation of a safety culture in Montana workplaces. The rules adopted by the department must:

(1) be consistent with the provisions of [this act] and of Titles 33 and 39 and Title 50, chapter 71; and

(2) further the objectives of improving occupational safety and health and reducing the costs of the workers' compensation system by attempting to control or diminish the incidence of injury or illness.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** Short title. [Sections 1 through 9] may be cited as the "Montana Safety Culture Act".

NEW SECTION. **Section 2.** Purpose. The purpose of [sections 1 through 9] is to reduce the incidence of occupational injury and illness by promoting safety in the workplace in order to control the costs of claims for workers' compensation insurance. The creation of a safety culture requires employers to provide training and education to make safety awareness part of the requirement for each worker's satisfactory job performance and requires the department to promote safety awareness for the public through the education and preparation of each student for entrance into the labor market. A reduction in workplace injuries, illnesses, and deaths through enhanced safety on the job benefits the public as well as the employers and the employees by lowering both financial and physical costs. Ensuring immunity to insurers in the provision of safety consultation services encourages and promotes safety in the workplace and improves the relationship between employers and employees.

NEW SECTION. **Section 3.** Safety consultation. (1) As

used in [sections 1 through 9], "safety consultation services" means assistance rendered by an insurer to advise and aid a policyholder, management, or an employer in the identification, evaluation, and control of existing and potential accidental and occupational health problems. The services may be delivered in person, by mail, or by telephone, based upon need.

(2) Safety consultation services include but are not limited to:

(a) surveys consisting of onsite identification and subsequent evaluation of exposures relative to employees, materials, equipment, work methods, processes, and facilities;

(b) recommendations expressed in the form of communications to policyholders or employers, with reference to control of exposures to occupational accident, injury, or illness and to improvement of safety programs and systems;

(c) training programs, including aids, programs, and materials made available to assist in the control of exposures;

(d) consultations to advise employers relative to risk, exposure, and experience in the policyholder's business;

(e) accident analysis consisting of review of reported accidents to determine cause and trends; and

(f) industrial hygiene services, including recognition,

evaluation, and control of chemical, physical, and biological exposures.

NEW SECTION. **Section 4. Safety programs -- educational activities.** To promote health and safety in places of employment in this state:

(1) each public or private employer shall establish and administer a safety program in accordance with rules adopted by the department pursuant to [section 5]; and

(2) the department, relying upon the support and assistance of concerned private entities or other governmental agencies, shall produce and distribute material to the schools of Montana and provide guest speakers intended to:

(a) educate students about the necessity for safe work practices;

(b) prepare students to embark on accident-free careers; and

(c) disseminate information promoting the reduction and control of the rate of incidence of workplace injuries or occupational disease.

NEW SECTION. **Section 5. Rulemaking authority.** The department shall adopt rules, including but not limited to rules that require:

(1) each employer to conduct an educational-based safety program, including but not limited to:

(a) a safety training program to provide:

(i) new employee general safety orientation;

(ii) job- or task-specific safety training; and

(iii) continuous refresher safety training, including periodic safety meetings;

(b) periodic hazard assessment, with corrective actions identified; and

(c) appropriate documentation of performance of the activities; and

(2) an employer of more than five employees to have a comprehensive safety program, including but not limited to:

(a) a safety committee composed of employee and employer representatives that holds regularly scheduled meetings;

(b) procedures of reporting and investigating all work-related incidents, accidents, injuries, and illnesses; and

(c) policies and procedures that assign specific safety responsibilities and safety performance accountability.

NEW SECTION. **Section 6. Notification of safety consultation services available by insurer.** To implement safety requirements, each insurer shall notify each policyholder or employer of the type of safety consultation services available and the location where the safety consultation services may be requested.

NEW SECTION. **Section 7. Safety consultation services -- safety program as provision of insurance contract or agreement.** (1) Each insurer shall provide safety consultation services to each of its policyholders or employers who request the assistance.

(2) The safety consultation services to be provided are within the discretion of the insurer but must include consideration of the hazard, experience, and size of the policyholder's or employer's operations.

(3) The insurer shall establish a system of priorities to use in responding to worksite safety consultation service requests, giving first priority to employers that have an unreasonably high actual or potential loss experience.

(4) Each insurer's insurance contract or agreement must require each policyholder or employer to implement a safety program as part of the contract or agreement to provide workers' compensation coverage.

NEW SECTION. **Section 8. Safety employment education and training advisory committee -- terms -- expenses -- duties -- meetings.** (1) There is a safety employment education and training advisory committee composed of seven members appointed by the commissioner of labor and industry to serve for terms of 3 years or at the pleasure of the commissioner.

(2) The committee consists of:

(a) three members representing employees;

(b) three members representing employers; and

(c) one member representing the department of labor and industry.

(3) The committee shall elect its presiding officer.

(4) Before the expiration of the term of a member of the committee, the commissioner shall appoint a successor. A member may be reappointed. The commissioner shall make an appointment to fill a vacancy before a term expires.

(5) The members of the committee serve without compensation but are entitled to travel expenses as provided in 2-18-501.

(6) The commissioner shall prescribe the committee's duties, including but not limited to recommending to the commissioner methods by which the department may:

(a) implement safety education in secondary schools and vocational-technical programs;

(b) facilitate the implementation of employer safety programs; and

(c) universally increase safety awareness in the workplace.

(7) The committee shall meet at least once every 3 months at a place and time determined by the committee and shall meet at other times and places determined by a majority of the members of the committee or the presiding

officer of the committee. Four members of the committee constitute a quorum for the transaction of business, but the department member may not be counted to determine a quorum.

NEW SECTION. **Section 9. Safety consultation services -- insurer's exemption from civil liability -- exceptions.** (1) The furnishing of or the failure to furnish safety consultation services related to, in connection with, or incidental to a workers' compensation insurance contract or agreement to provide workers' compensation coverage does not subject the insurer or its agents, employees, or service contractors to liability for damages from injury, loss, or death, whether direct or consequential, occurring as a result of any act or omission by any person in the course of providing safety consultation services.

(2) Subsection (1) does not apply:

(a) if the injury, loss, or death occurred during the actual performance of safety consultation services and was directly and proximately caused by the negligence of the insurer or its agents, employees, or service contractors;

(b) to any safety consultation services required to be performed under the provisions of a written service contract for which a specific charge is made and not incidental to a policy of insurance; or

(c) in an action against an insurer or its agents, employees, or service contractors for damages caused by the

act or omission of the insurer or its agents, employees, or service contractors in which it is judicially determined that the act or omission constituted a crime or involved actual malice.

NEW SECTION. **Section 10. Variable pricing -- higher premium by state fund for noncompliance with safety program.** (1) The state fund shall:

(a) implement variable pricing levels within individual rate classifications to reward an employer with a good safety record and penalize an employer with a poor safety record. The timeliness of an employer's payroll reporting and premium payments and other relevant factors may be considered in the placement of an employer within the variable pricing levels.

(b) provide an additional pricing level with a higher rate within the classification for those employers who do not satisfactorily implement a safety program subsequent to an insurer's provision of or attempt to provide onsite safety consultation services.

(2) The state fund may assess a surcharge of an additional 20% on premiums payable to the state fund by high-loss employers. The criteria for identifying high-loss employers must be established by the state fund board of directors by rule.

NEW SECTION. **Section 11. Safety program requirement in**

workers' compensation policies. A policy, contract, or agreement to insure an employer against a workers' compensation or occupational disease risk must require each policyholder or employer to implement a safety program, as provided in [section 7], as part of the policy, contract, or agreement to provide workers' compensation or occupational disease insurance coverage.

Section 12. Section 39-71-2311, MCA, is amended to read:

"**39-71-2311. Intent and purpose of plan.** It is the intent and purpose of the state fund to allow employers the option to insure their liability for workers' compensation and occupational disease coverage with a mutual insurance fund. The state fund is required to insure any employer in this state requesting coverage, and it may not refuse coverage for an employer ~~unless--an--assigned--risk--plan established--under--39-71-431--is--in-effect~~. The state fund must be neither more nor less than self-supporting. Premium rates must be set at least annually at a level sufficient to ensure the adequate funding of the insurance program, including the costs of administration, benefits, and adequate reserves, during and at the end of the period for which the rates will be in effect. In determining premium rates, the state fund shall make every effort to adequately predict future costs. When the costs of a factor influencing

rates are unclear and difficult to predict, the state fund shall use a prediction calculated to be more than likely to cover those costs rather than less than likely to cover those costs. Unnecessary surpluses that are created by the imposition of premiums found to have been set higher than necessary because of a high estimate of the cost of a factor or factors may be refunded by the declaration of a dividend as provided in this part. For the purpose of keeping the state fund solvent, it must implement variable pricing levels ~~within--individual-rate-classifications-to-reward-an employer-with-a-good-safety-record-and-penalize-an--employer with--a--poor-safety-record.-An-employer's-payroll-reporting and-premium-history-and-other-relevant-factors-may--also--be considered---in--implementing--variable--pricing--levels~~ as provided in [section 10]."

NEW SECTION. **Section 13. Codification instruction.** (1) [Sections 1 through 7 and 9] are intended to be codified as an integral part of Title 39, chapter 71, and the provisions of Title 39, chapter 71, apply to [sections 1 through 7 and 9].

(2) [Section 8] is intended to be codified as an integral part of Title 2, chapter 15, and the provisions of Title 2, chapter 15, apply to [section 8].

(3) [Section 10] is intended to be codified as an integral part of Title 39, chapter 71, part 23, and the

provisions of Title 39, chapter 71, part 23, apply to [section 10].

(4) [Section 11] is intended to be codified as an integral part of Title 33, chapter 15, part 3, and the provisions of Title 33, chapter 15, part 3, apply to [section 11].

NEW SECTION. **Section 14. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. **Section 15. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 16. Effective dates.** (1) [Sections 5, 8, and this section] are effective July 1, 1993.

(2) [Sections 1 through 4, 6, 7, and 9 through 15] are effective January 1, 1994.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15
In compliance with a written request, there is hereby submitted a Fiscal Note for SB0163, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act creating the Montana Safety Culture Act; requiring employers to establish safety programs; requiring safety training and education programs; requiring workers' compensation insurers to provide safety consultation services; granting immunity to insurers for certain occurrences; creating a safe employment education and training advisory committee; allowing the State Fund to implement variable pricing levels; allowing the State Fund to place a surcharge on high-loss employers.

ASSUMPTIONS:
State Fund:
1. There would be increased numbers of requests for safety consultation services and increased numbers of "high loss" accounts accepting safety consultation services due to variable pricing.
2. A priority system would be established to provide safety services on a cost effective basis.
3. A system of on-site field visitations and passive safety training/education will be established prior to the January 1, 1994, effective date to ensure availability of services beginning on the effective date.
4. The State Fund computer system is on a fiscal year cycle. To avoid significant costs of changing to a calendar-year cycle, the assignment of policies to higher rate categories will be delayed until July 1, 1994, versus the January 1, 1994, effective date.
5. Variable pricing, including a category for assessment of a 20% surcharge, is authorized under current law. The bill clarifies that uncooperative employers can be charged a higher rate within their classification, despite actual safety record. Variable pricing, per se, would be revenue neutral over a long time frame.
6. Increased costs in the Department of Labor would be passed through to the State Fund through the workers' compensation assessment. In FY92, 48.71% of workers' compensation assessments were made to the State Fund with the balance assessed to private carriers and self-insureds.

Department of Labor:
1. A total of 193 high schools and five vo-tech centers in Montana represent 12,500 students who would receive a mailing from the department twice per academic year.
2. The 193 high schools would be visited personally by a training officer, who would conduct safety awareness exercises, once every two years.
3. An advisory council, consisting of seven members, will be appointed by the Commissioner to meet monthly in first year; bi-monthly in second year. No stipends will be paid but per diem will be given.
4. The department will have rule making authority as set forth in the bill and will be required to file with Secretary of State.
5. One full time training officer (grade 14) will be required to organize, coordinate and schedule the mailings and to make presentations in the schools and to trade associations. The training officer also will provide staff assistance to the advisory committee.
6. Costs are as estimated by the Department of Labor.

(continued)

Dave Lewis 1-26-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

1/26/93
JOHN HARP, PRIMARY SPONSOR DATE

FISCAL IMPACT:

State Fund:

Expenditures:	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	224.50	230.50	6.00	227.50	235.50	8.00
Personal Services	6,498,681	6,694,773	196,092	6,584,924	6,846,380	261,456
Operating	3,615,187	3,721,102	105,915	3,922,172	3,975,562	53,390
Equipment	310,066	404,566	94,500	236,597	236,597	0
Benefits	166,027,953	166,027,953	0	182,948,465	182,948,465	0
Transfers	2,839,300	2,884,944	45,644	2,716,695	2,741,577	37,962
Debt Service	134,256	134,256	0	221,580	221,580	0
Total (Proprietary)	$179,425,443	$179,867,594	$442,151	$196,630,433	$196,983,241	$352,808

Department of Labor and Industry:
Research Safety & Training Div (PG 07)

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	64.30	65.30	1.00	64.30	65.30	1.00
Personal Services	2,062,070	2,098,675	36,605	2,064,578	2,101,663	37,085
Operating Expenses	1,065,101	1,119,401	54,300	1,065,246	1,106,096	40,850
Equipment	136,304	139,104	2,800	76,059	76,059	0
Total	3,263,475	3,357,180	93,705	3,205,883	3,283,818	77,935
Funding:						
Workers' Comp. Assessment (02)	1,114,877	1,208,582	93,705	1,057,225	1,135,160	77,935
Federal Revenue	2,148,598	2,148,598	0	2,148,658	2,148,658	0
Total	3,263,475	3,357,180	93,705	3,205,883	3,256,964	77,935
Revenue:						
WC Assessments (02)	3,197,368	3,291,073	93,705	3,199,373	3,277,308	77,935

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
Safety education for vocational technical students training for high risk occupations are likely to enhance safety awareness in the workplace. In addition, effectively targeted safety consultations and increased financial incentives for employers to implement safety improvements are likely to decrease the incidence of preventible injury and occupational disease. Reductions in State Fund payment of workers' compensation claims and associated costs are inestimable but potentially significant.

SENATE BILLS STATUS SHEET

SENATE LABOR & EMPLOYMENT RELATIONS COMMITTEE

BILL NUMBER	ENTERED COMMITTEE	CONSIDERED	OUT OF COMMITTEE	DP DO PASS	DNP DO NOT PASS	DPAA DO PASS AS AMENDED	DNPAA DO NOT PASS AS AMENDED
SB 15	1/9/93	1/26/93	1/26/93			1/26/93	
SB 33	1/4/93	1/5/93	1/19/93			1/19/93	
SB 62	1/4/93	1/14/93	TABLED				
SB 91	1/7/93	1/14/93 1/19/93	1/26/93			1/26/93	
SB 116	1/11/93	1/14/93	1/19/93	1/19/93			
SB 160	1/15/93	1/26/93	1/26/93			1/26/93	
SB 163	1/15/93	1/28/93	2/11/93			2/11/93	
SB 164	1/15/93	1/28/94	2/4/93			2/4/93	
SB 184	1/18/93	1/26/93	2/2/93			2/2/93	
SB 207	1/19/93	2/2/93	2/2/93			2/2/93	
SB 212	1/20/93	2/13/93	2/13/93		2/13/93		
SB 223	1/20/93	2/4/93	2/9/93			2/9/93	
SB 256	1/26/93	2/9/93	2/9/93			2/9/93	

MINUTES

MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By Chair Tom Towe, on January 28, 1993, at 1:05 P.M.

ROLL CALL

Members Present:
Sen. Tom Towe, Chair (D)
Sen. Bill Wilson, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Chet Blaylock (D)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)

Members Excused: None

Members Absent: Sen. Jim Burnett(R)

Staff Present: Eddye McClure, Legislative Council
Patricia Brooke, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: SB 163, SB 164
Executive Action: None

HEARING ON SB 163

Opening Statement by Sponsor: Senator Harp, Senate District 4, stated he has introduced SB 163. at the request of Governor Racicot. SB 163 promotes safety for the workers of Montana. Sen. Harp relayed that ultimately, this is the bill that will have cost containment in it. Sen. Harp stated a safety culture is attempted to be established with SB 163. With an education program for young people high school students will understand the full impact of safety in the work place. Sen. Harp referred to Oregon's safety plan and stated this bill adopts some of that plan but at the same time is adapted to Montana's particular needs. The Department of Labor plays two primary functions in this bill. One, they have a safety advisory committee of seven members of employers, employees and a Department representative and, two, they will formulate safety programs and continue to educate students who will enter the work place. Sen. Harp stressed the importance for both employers and employees to have equal representation on committees. This bill also addresses an

area dealing with safety consultants. The bill ensures safety consultants perform their services, identify the problems, and administer the surcharges. The State Fund is the insurer of last resort. There is a section for immunity for safety consultants who perform evaluations on cost containment. Sen. Harp stated SB 163 will ensure the safety consultant is not liable for anything which happens at the workplace. Sen. Harp is convinced a strong safety program will be a great asset to Montana. After a 68% increase in the workers' comp rates in the last year, Sen. Harp is convinced the state must invest now in order to create eventual savings.

Proponents' Testimony: Mark Sonyu, Coalition for Workers Compensation System Improvement, stated SB 163 addresses many critical issues, especially the education program in the schools that will instill safety awareness. Mr. Sonyu stated the Safety Appointment Training and Advisory Committee will provide positive contributions to Montana and improve the business climate as a whole in Montana.

Rick Hill, Governor's Office, stated SB 163 is a top priority of Governor Racicot's. This bill strives to create safety in the workplace among employers and employees. A safety culture in Montana will be created through the awareness of safety programs. By mandating workers' safety plans the state will strengthen the commitment.

Pat Sweeney, State Fund, spoke from a written testimony (exhibit #1).

Gerald Klein, State Fund, spoke from a written testimony (exhibit #2).

Chuck Hunter, Department of Labor and Industry, stated preventing accidents will save money for the State. The Department of Labor will have new responsibilities that include developing a new safety committee and working with students to develop safety awareness.

Warren Wilcox, John R. Daily Meat Packing, stated his company has had a formal safety program for five years and believes safety pays. Mr. Wilcox supports SB 163 because it provides incentives for businesses to raise awareness of safety programs and advantages. Mr. Wilcox stated he has a problem with the mandated aspect of SB 163. Mr. Wilcox stated in Section five, the rules should be the guidelines, not requirements. He feels this should be a system which rewards, not penalizes. He stated OSHA already provides the enforcement and they do not really help safety programs be positive.

Mike Micone, Montana Carriers Association, stated safety programs work and it pays to instill safety programs in the workplace. SB 163 is a first step to getting Montana's workers compensation

program cleaned up.

Jerry Noble, Jerry Noble Tires, stated his support for SB 163. He conveyed that in his business he has done everything possible to lower his MOD factor. Because of his safety programs he is paying less in workers comp now than in 1988. Mr. Noble encouraged the Committee to look into the fact that the companies are responsible forever for injuries to their workers. He suggested that perhaps some time frame after the occurrence of the injury be placed on the people who collect workers comp.

Riley Johnson, National Federation of Independent Businesses, feels that businesses under five employees should be under a reward, not a mandatory system. Mr. Johnson stated it is better to give a reward of a reduction if there is compliance with the safety standards by the small business. He also stated his organization feels the 20% reduction is too low.

Don Judge, President, Montana AFL-CIO, submitted a written testimony(exhibit #3).

Russell Hill, Montana Trial Lawyers Association, submitted written testimony(exhibit #4).

Jane Van Riper, claimant attorney, stated she is in support of the bill but is in favor of a couple of amendments which she submitted to the Committee(exhibit #5). The first amendment addresses employer responsibility to provide a safe workplace. The second amendment requires the State Fund to set up a separate account for the safety measures in order to track the results.

Oliver Go, self-insurer, stated he is in support of SB 163 but has a problem with Section five and the potential of the authority of the Department of Labor.

David Hemion, Helena Chamber of Commerce, stated the Chamber supports the State's effort to encourage safety and they would be pleased to work with the State on this.

Jacquiline Lenmark, American Insurance Association, stated the organization strongly supports this bill and would like to draw attention to Section four which addresses public education on safety and creates and opportunity for the State to allow private agencies to provide information for the safety education programs.

Roger Glenn, President, Independent Insurance Agents Association of Montana, stands in support of the bill and hopes the Committee adopts some amendments dealing with mandating insurance companies to write requirements into policies.

Russ Ritter, Washington Corporation, stated his support of the bill but has some concern with Section five. He would like a softer approach.

Mona Jamison, Montana Chapter of the American Physical Therapy Association, stated a safety culture environment will reduce the number of injuries in the state of Montana.

Keith Olson, Montana Logging Association, stated the Association is strongly in support of this bill.

Bill Stevens, Montana Food Distributors Association, submitted written testimony (Exhibit #6).

Opponents' Testimony:
Jim Nys, owner of small business, stated he is generally in support of the program but has a problem with the vagueness of who is responsible to provide the insurance. Mr. Nys stated a temporary service employer should be responsible for the safety of a temporary service employee and the intent of the bill should be to mandate the safety program only for companies which have five permanent, full-time employees. Mr. Nys told the committee the bill creates a lot of additional paperwork without changing the safe practices already employed. He suggested that the only ones who would should have to go through the extensive paperwork are the high-risk employers.

Doug Kelly, owner of Express Services of Helena, stated that through the temporary services several thousands of Montanans are essentially on assignment to their clients. He has many of the same concerns of Mr. Nys including Section five. He suggested the safety program be made site-based.

Kaaren Jensen, Express Services, submitted written testimony(Exhibit #7).

Questions From Committee Members and Responses:
Sen. Lynch asked Sen. Harp if he had any concern about the section of the bill that limits the safety program to companies with five or more full-time employees knowing some employees will have only a couple full-time employees but many others just under the full-time qualifications. Sen. Harp agreed with Sen. Lynch and stated he will review all the proposed amendments.

Sen. Aklestad asked Sen. Harp what this bill will accomplish. Sen. Harp answered that safety consultants will visit businesses and help put a safety plan in place. He went on to say there are 26,000 policy holders and the State Fund wants the ability to institute an awareness amongst all of them.

Sen. Keating asked Sen. Harp how the safety program will save Montana money. Sen. Harp answered the safety program is an example of an area in which state government can be helpful. Sen. Keating asked if the $800,000 on the fiscal note is accurate and Sen. Harp answered that it will be well spent.

Sen. Keating asked Sen. Harp when he thought the premiums will be lowered. Sen. Harp answered they will be lowered when the State gets a proactive stance on safety and the $800,000 will be an excellent investment.

Sen. Blaylock asked Sen. Harp if the $800,000 is a solid figure. Sen. Harp replied he could not predict if the figure would change.

Sen. Towe asked Sen. Harp how this plan is similar or different to the Oregon plan. Sen. Harp replied the Oregon plan has an OSHA plan with more mandates and less incentives while SB 163 is a plan of education that works with people to show the benefits of safety.

Sen. Towe asked Sen. Harp if Section 10, which addresses variable pricing, is from the Oregon plan. Sen. Harp stated it was in the law already and he is not aware of its origins.

Sen. Towe asked Sen. Harp if he agrees with the concerns of the owners of temporary agencies. Sen. Harp replied it is common for people to want to be excluded from new programs but he will leave the decision up to the Committee.

Closing by Sponsor: Sen. Harp stated he closed.

HEARING ON SB 164

Opening Statement by Sponsor:
Sen. Harp introduced SB 164 by stating this bill is at the request of Governor Racicot. This bill will look at the prevention, detection, investigation and fraud of workers comp cases. Sen. Harp stated 8% of all premium dollars paid by insurers have been determined to contribute to fraud. This bill only applies to the State Fund and it will be completely funded by the State Fund. A new fraud unit would be started by the State Fund. The Department of Justice will have a special prosecutor who will follow up on referrals of fraud by the State fund. Currently the Department of Justice has one investigator and he/she cannot keep up on the number of cases. Sen. Harp stated he is convinced if there are one or two high visibility cases of fraud enforcement it will be a deterrent to all. He also stated most fraud is not employee fraud but a third party, the medical industry or employers, not paying into the Fund. Sen. Harp cannot estimate what the savings will be.

Proponents' Testimony:
Bill Connor, Coalition for Work Comp System Improvement, stated he has extensive experience in the workers compensation. He was an investigator and a supervisor in the workers compensation area. He stated he has seen cases of fraud. Mr. Connor stated the costs of the fraudulent claims add up and put a pressure on the system. The fraud exists on the part of medical providers,

ROLL CALL

SENATE COMMITTEE LABOR DATE 1/28/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Aklestad	X		
Senator Keating	X		
Senator Blaylock	X		
Senator Lynch	X		
Senator Burnett		X	
Senator Wilson	X		
Senator Towe	X		

F08

Attach to each day's minutes

Amendments to Senate Bill No. 163
First Reading Copy

For the Senate Labor Committee
Prepared by Eddye McClure
February 1, 1993

1. Page 3, line 3.
Following: "aid"
Strike: "a policyholder, management, or an employer"
Insert: "an insured employer"

2. Page 3, line 15.
Following: "to"
Strike: "policyholders or employers"
Insert: "an insured employer"

3. Page 3, line 21.
Following: "advise"
Insert: "insured"

4. Page 3, line 22.
Following: "the"
Strike: "policyholder's"
Insert: "insured employer's"

5. Page 4, line 4.
Following: "**activities.**"
Insert: "(1)"

6. Page 4, line 6.
Strike: "(1)"
Insert: "(a)"

7. Page 4, line 9.
Strike: "(2)"
Insert: "(b)"

8. Page 4, line 14.
Strike: "(a)"
Insert: "(i)"

9. Page 4, line 16.
Strike: "(b)"
Insert: "(ii)"

10. Page 4, line 18.
Strike: "(c)"
Insert: "(iii)"

11. Page 4, line 21.
Following: line 20
Insert: "(2) An employer who employs temporary workers shall include those workers in the employer's safety program. A temporary services contractor shall provide a safety program

for employees not employed by other employers."

12. Page 5, line 11.
Following: "comprehensive"
Insert: "and effective"

13. Page 5, line 23.
Strike: "policyholder or employer"
Insert: "insured employer"

14. Page 6, line 4.
Following: "its"
Strike: remainder of line 4
Insert: "insured"

15. Page 6, line 9.
Following: line 8
Strike: "policyholder's or"
Insert: "insured"

16. Page 6, line 12.
Following: "to"
Insert: "insured"

17. Page 6, line 15.
Following: "each"
Strike: "policyholder or"
Insert: "insured"

18. Page 6, lines 23 and 24.
Following: "years" on line 23
Strike: remainder of line 23 through "commissioner" on line 24

19. Page 7, line 9.
Following: "vacancy"
Strike: remainder of line 9 through "expires"

20. Page 9, line 6.
Following: "**program**"
Insert: "-- **expenditure accounting**"

21. Page 9, line 18.
Following: line 17
Strike: "an insurer's"
Insert: "the"

22. Page 9, line 25.
Following: line 24
Insert: "(3) The state fund shall separately account for money expended under [sections 1 through 11 and 39-71-2311]."

23. Page 10, line 4.
Following: line 3
Strike: "policyholders or"
Insert: "insured"

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. #1
DATE 1/28/93
BILL NO. SB 163

#1 Sweeney
STATE FUND

TESTIMONY ON S.B. 163

The ~~State Fund supports Senate~~ Bill 163. We have always known that the best way to reduce the cost of workers' compensation coverage and to reduce the suffering of injured workers, is to prevent injuries before they occur.

This bill, by making safety a priority with employers and employees, allows the State Fund to expand its current and very effective safety efforts to not only more employers but also to our smaller employers. Following my testimony, our Safety Director, Jerry Klien, will give you examples of how the State Fund has been successful in its safety efforts.

We will add four additional field safety consultants to our current staff of 7 safety consultants who are in the field. This will also allow for approximately 1,600 additional contacts with employers in a year by the State Fund. We will also add four safety consultants to the office in Helena who will be divided into two units. Two persons will be dedicated to conducting group training seminars which would be sponsored by groups such as industry associations or chambers of commerce. This will provide contact with exposure to small policyholders economically. Two persons will be dedicated to the production, publication and distribution of training materials, guidelines, video tapes and other materials for businesses to borrow or nominally purchase. These four persons would also compromise the core of expertise for telephonic consultations which we would provide in response to requests from policyholders. These additional staff will enable the State Fund to facilitate establishment of the safety programs by employers and employees.

We also hope to be able to work with the Department of Labor to assist the efforts of their safety advisory committee. Reaching workers before they enter the work force will make safety a priority for our future workers.

This bill also gives the State Fund the authority to provide an additional pricing level with a higher rate for those employers who do not satisfactorily implement a safety program, if we have provided services and they have not been utilized, or we attempt to provide services and are rejected. In addition, the State Fund was given the authority to assess a surcharge of an additional 20% on high loss employers. The Board will establish the criteria for policyholders who will be subject to this additional 20% surcharge.

The section providing immunity to insurers in the provision of safety services will promote our ability to provide services to employers and will therefore ultimately promote safety in the work place. An insurer needs to facilitate safety but is not and should not have the role of guaranteeing safety.

Conclusion

We urge this committee to pass Senate Bill 163. We believe this is one of the most important pieces of legislation this Legislature will see in the effort to reduce the cost of workers' compensation in this state to both employers and employees.

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. #2
DATE 1/28/93
BILL NO. SB 163

TESTIMONY ON S. B. 163

GERALD L KLEIN
STATE FUND

As Mr. Sweeney mentioned in his remarks, the State Fund is very effective in assisting many of our policyholders with customized, on-site Safety Consultation services. Our staff of seven field consultants currently aid employers in writing and implementing safety program elements, we assist in the development and presenting of supervisory and employee education and safety training sessions, we aid in the establishment of Job Safety Analyses, Safe Operating Procedures, task oriented job descriptions and guidelines for Early Return to Work Programs.

We have used the hands-on approach; primarily that of "See one, Teach one, Do one". We cannot possibly BE everyone's Safety Program---we cannot Chair each Safety Committee, conduct each employee training class, do everyone's monthly inspection. But we are very effective at providing technical assistance and safety expertise to employers when THEY want to get a program in place. And we generate results!

A few examples that show results that run the full range of industries and sizes of policyholders we service:

COMPANY A: MACHINE & WELDING FIRM ---- $65,000 EAP

Loss/Ratio Pre-Safety Program - (2 yr Ave)	420%
Certified 2/90	
Loss/Ratio Post Safety Program - (4 yr Ave)	46%

COMPANY B: CONSTRUCTION COMPANY ---- $15,000 EAP

Loss/Ratio Pre-Safety Program - (3 yr Ave)	230%
Certified 6/90	
Loss/Ratio Post Safety Program - (3 yr Ave)	59%

COMPANY C: NURSING HOME ---- $200,000 EAP

Loss/Ratio Pre-Safety Program - (4 yr Ave)	224%
Certified 6/91	
Loss/Ratio Post Safety Program - (1+ yr Ave)	28%

Conclusion

We in the Safety field are only one piece of the entire Workers Compensation whole, but we are a very positive piece. S. B. 163 will enable us to provide an even larger impact on decreasing the accident experience and subsequent costs borne by the employers and employees of Montana.

Montana State AFL-CIO

Donald R. Judge
Executive Secretary

110 West 13th Street, P.O. Box 1176, Helena, Montana 59624 406-442-1708

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. # 3
DATE 1/28/93
BILL NO. SB 163

TESTIMONY OF DON JUDGE ON SENATE BILL 163, THE MONTANA SAFETY CULTURE ACT, BEFORE THE SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE, JANUARY 28, 1993

Mr. Chairman, members of the committee, for the record, my name is Don Judge, and I'm here today to represent the Montana State AFL-CIO in support of Senate Bill 163.

Senator Harp, we're pleased to be here today in support of your efforts to help make Montana's places of work safer. We understand that one of the prime motivations for this legislation is to help control the rising costs of workers' compensation premiums, and that is to be commended. We agree with such efforts, as employers who employ union workers bear a disproportionate share of the costs of this system.

As you are probably aware, being a union contractor yourself, workplace safety programs are much more common among union employers, resulting in better safety records and fewer injuries. That's the good side. Unfortunately, because union employers tend to pay higher wages, premiums based upon payroll are higher for them, despite better safety and fewer accidents.

Requiring employers to provide a safer workplace, and requiring issuers of workers' compensation insurance to mandate safety programs, is a good step towards holding down the costs of workplace injuries and deaths. Further, requiring employers of more than five employees to have safety committees comprised of employees as well as employers makes good sense. After all, workers really don't want to be injured or killed on the job, and they often know best how to prevent workplace accidents. For your information, the requirement regarding safety committees would impact only approximately a third of Montana's employers. Of the 27,791 employers in Montana, 16,689 employ fewer than five workers.

The provisions of SB 163 which allow the state fund to adjust premium rates based upon the lack of a safety program would seem to give the legislation some teeth, as do the provisions for assessing a surcharge on premiums paid by high-loss employers. We've often said that rewarding good employers and punishing the bad would be good for those employers who truly believe in workplace safety.

SB 163 also contains provisions for educating young people about the need for safety in their future workplaces. We commend the foresight of this legislation in working to ensure that our kids may enter the workforce better prepared than we did.

And last, but certainly not least, we concur with the establishment of a safety employment education and training advisory committee to oversee the enactment of the intent of this legislation. We would, of course, like to see the selection procedures for the committee members include at least one representative from the ranks of organized labor. After all, unions have pioneered workplace safety programs and workplace safety committees, and we believe that we have much to offer this committee.

Printed on Union-made paper

Testimony of Don Judge
SB 163
January 28, 1993

The much touted Oregon Workers' Compensation system, called the Department of Insurance and Finance, issued findings last year that give weight to the need for Senate Bill 163. According to Dept. Director, Gary Neeks, "Improving workplace safety is the major reason Oregon businesses are paying lower rates on their workers' compensation insurance." A copy of a press release containing this statement and other statistical data is attached for your review. Making workplaces safer means making them less expensive for both the workers and the employers.

Lest I sound too complimentary of this legislation, let me point out two areas of concern.

The first is in granting civil immunity to insurers who either furnish, or fail to furnish, safety consultation services. Although the bill does provide an exception for such services which clearly are inappropriate, that's only as it relates to the actual performance of the consultations. We believe that if insurers are going to be allowed to write policies in our state, they should be liable for NOT providing appropriate safety consultation services, or for injury, loss, or death occurring as result of inappropriate consultation recommendations.

The second is in requiring by law, that a workers' satisfactory job performance is contingent upon an arbitrary "safety awareness" standard not clearly defined in the statute and which may conflict with existing collective bargaining agreements. I would be happy to work with the committee to attempt to resolve this issue.

With these two exceptions, we believe that Senate Bill 163 is good legislation and should be amended, passed and put into effect for the benefit of Montana's workers, employers and general public. Thank you.

Don Judge
AFL-CIO
PAGE 3

NEWS RELEASE

Oregon Department of Insurance and Finance

November 20, 1992
For Immediate Release

Contact: Kathy Thomas/Jim Locnikar
503-378-4254 or
David Sparks (OR-OSHA) 378-3272

DRAMATIC DROP IN WORKPLACE INJURIES

(Salem) The rate of work related injury and illness in Oregon has hit a record low. The state's private sector incidence rate fell to 9.1 per 100 full-time workers in 1991, down from 10.1 in 1990. The incidence rate reflects all workplace accidents and ailments reportable under OSHA standards, regardless of severity, and is one of the broadest indicators of occupational safety and health.

The Oregon Department of Insurance and Finance released the figures. Department officials explained that the drop of one full point represents 10,000 fewer injuries and illnesses at private businesses and organizations, 34 fewer per workday. The 1991 decline follows reductions of one half point in 1989 and again in 1990.

Oregon's public sector or government incidence rate of 7.5 also represents its lowest recorded point.

Department Director Gary Weeks said, "Improving workplace safety is the major reason Oregon businesses are paying lower rates on their workers' compensation insurance, which benefits the entire economy. More importantly, it means less pain and suffering for Oregon's workers."

Lost workday cases, where missed work goes beyond the day of the injury, also set record lows last year. The private sector rate was 4.4, falling from the previous year's record of 4.8. The public sector reported 2.9. The U.S. Labor Department has collected figures in the private sector for 20 years and in the public sector for 17 years. The following table compares 1988-1991 incidence rates.

Industry	Lost Workday Cases				Total Cases			
	1988	1989	1990	1991	1988	1989	1990	1991
Total Private Sector	5.6	5.2	4.8	4.4	11.1	10.6	10.1	9.1
Ag, For, Fish	7.6	7.4	6.8	6.1	12.7	13.1	11.7	10.3
Construction	7.2	7.6	7.5	6.6	15.6	16.1	15.4	14.1
Manufacturing	8.9	8.3	7.4	6.7	17.8	16.8	15.6	14.2
Trans, Pub Util	6.0	6.6	6.1	6.1	10.1	10.6	10.7	10.0
Wholesale Trade	4.7	4.9	4.8	4.2	8.8	9.1	9.2	8.2
Retail Trade	4.3	3.8	3.8	3.2	10.3	9.2	8.4	7.8
Fin, Ins, R.E.	1.3	1.1	1.1	1.5	2.9	2.2	2.3	2.8
Services	4.2	3.6	3.5	3.1	7.6	7.3	7.2	6.6
Total Public Sector	3.7	3.5	3.1	2.9	8.9	8.4	7.7	7.5
State Gov't	3.4	3.0	2.6	2.4	9.2	7.7	7.4	6.9
Local Gov't	3.9	3.7	3.4	3.2	8.8	8.7	7.9	7.8

Source: Oregon Department of Insurance and Finance, Information Management Division, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

##

EXHIBIT 3
DATE 1-28-93
SB 163

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. #4
DATE 1/28/93
BILL NO. SB 163

Montana Trial Lawyers ASSOCIATION

Directors:
Wade Dahood
Director Emeritus
Monte D. Beck
Thomas J. Beers
Michael D. Cok
Michael W. Cotter
Karl J. Englund
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Peter M. Meloy
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Officers:
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President
Monte D. Beck
President-Elect
Gregory S. Munro
Vice President
Michael E. Wheat
Secretary-Treasurer
William A. Rossbach
Governor
Paul M. Warren
Governor

January 28, 1993

Sen. Tom Towe, Chair
Senate Labor and Employment Relations Committee
Room 413/415, State Capitol
Helena, MT 59624

RE: SB 163

Mr. Chair, Members of the Committee:

Thank you for this opportunity to express MTLA's qualified support for SB 163, which addresses the critical need for workplace safety programs in Montana.

MTLA has long advocated safety programs to reduce workplace injuries, workers compensation claims, and ultimately employer premiums. MTLA supports the provisions in SB 163 which require employers to establish and administer safety programs. MTLA supports the provisions in SB 163 which require employees to participate in ongoing safety training programs. MTLA supports the provisions in SB 163 which require workers compensation insurers to provide safety consultation services to their policyholder employers. And MTLA supports the provisions in SB 163 which implement variable pricing levels to reward employers with good safety records and penalize employers with poor safety records.

However, MTLA opposes several provisions of SB 163:

1. Section 9, which provides virtually blanket immunity to workers compensation insurance companies, cripples the bill. Expert safety consultation services are a key component of any plan to reduce workplace injuries, and SB 163 properly requires insurers to provide safety consultation services. But then the bill insulates those same insurers from liability when they fail to furnish safety consultation services, when they carelessly furnish those services, even when they are grossly negligent in furnishing those services. Civil liability provides far more

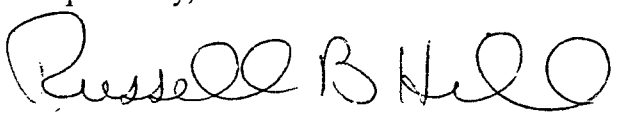
reliable guarantees of compliance than administrative enforcement by another cumbersome layer of government bureaucracy.

2. SB 163 insulates insurers from liability but requires no corresponding demonstration that their safety consultation services are efficient or effective. The bill should require workers compensation insurers to regularly record and report expenditures for safety consultation services separately, in conjunction with their loss experience.

3. Section 7 requires workers compensation insurers to provide safety consultation services upon request but establishes no meaningful standard for those services. Safety engineering is a recognized discipline, and SB 163 should require safety consultation services to meet the objective criteria of nationally recognized certifying bodies such as the American Society of Safety Engineers, the National Safety Council, and the Johns Hopkins Injury Prevention Center.

Thank you for considering these comments. If I can provide additional information or assistance, please notify me.

Respectfully,



Russell B. Hill
Executive Director

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. #5
DATE 1/28/93
BILL NO. SB 163

Amendments to Senate Bill No. 163
First Reading Copy

Requested by Representative Cocchiarella
For the Senate Labor Committee

Prepared by Eddye McClure
January 27, 1993

1. Page 2, line 12.
Following: "provide"
Insert: "and maintain a safe place of employment and to provide"

2. Page 9, line 6.
Following: "**program**"
Insert: "**-- expenditure accounting**"

3. Page 9, line 25.
Following: line 24
Insert: "(3) The state fund shall separately account for money expended under [sections 1 through 11 and 39-71-2311]."

MONTANA FOOD DISTRIBUTORS ASSOCIATION
2700 Airport Way • P.O. Box 5775 • Helena, Montana 59604 • (406) 449-6394 • 1-800-735-1082

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. #6
DATE 1/28/93
BILL NO. SB 163

TESTIMONY OF BILL STEVENS
PRESIDENT, MONTANA FOOD DISTRIBUTORS ASSOCIATION

IN FAVOR OF SB-163 "SAFETY BILL"

It is unnecessary to reiterate the basic problems facing the workers' compensation system in Montana. You are acutely aware of the complexity of those problems, and certainly understand that there is no one solution.

However, you have the unique opportunity to provide a vehicle by which we can begin to correct our system. That vehicle is the "Safety Bill" before you.

SB 163 creates a safety "culture" in Montana. In other words, it is a statement of philosophy that is subscribed to by employers across Montana who have experienced the positive results of a comprehensive safety program. In a survey conducted by the Tillinghast Company, a national actuarial firm, 84% of the responding employers identified *safety* as the most popular cost-control measure in the Workers' Compensation arena.

This proposal's purpose is to reduce accident frequency by raising safety awareness and lowering the risk of on-the-job accidents. By lowering "risk" and promoting safety in the workplace, the cost of workers' compensation will be controlled.

This bill contains the primary elements that are necessary for the implementation of safety in the workplace.

First, it provides for employee and employer safety education. Such education will show why safety is important, and provides assistance in implementing safety.

Second, SB 163 implements a method by which high loss employers will pay their fair share of the cost of noncompliance in promoting a safer workplace. Implementation of a variable pricing structure for rate classifications will foster the value of safety by rewarding employers with good safety records, and penalizing employers with poor safety records.

SB-163 also provides for an advisory board that promotes an interaction of employers and employees with the Department of Labor and Industry for the purpose of promoting safety education.

These factors mandate a proactive approach to preventing accident claims.

"Safety First" has never been more applicable than today. Prevention is the most effective way to control the rising costs of workers' compensation. Effective safety programs promoted by passage of SB-163 would not only reduce accident frequency, but improve employee morale and decrease the likelihood of fraudulent claims. Employees who feel employers care about their safety naturally return to work sooner, thereby reducing medical costs and legal intervention.

The real change in the workers' compensation system must begin with employers. They are the ones with the most incentive to act because they currently bear the burden of the system's costs. By instituting safety in the workplace, SB-163 will insure that all employers actively participate.

I urge you to support this bill. The time for pointing fingers is over. The time to begin to "fix" workers' compensation is <u>now</u>! SB-163 will ignite the recovery process of workers' compensation in Montana. With this beginning, the other elements of the "solution" can be addressed and implemented.

Respectfully submitted,

Bill Stevens, President
Montana Food Distributors Association

Wayne Dillavou
Safety Director
Montana Food Distributors Association

EXHIBIT 6
DATE 1-28-93
SB 163

SUMMARY: Safety Bill

The intent of this bill is to create a starting point whereby safety can be promoted in the workplace.

1. It will educate employers on safety in the workplace. Insurers will be required to provide safety services to their insureds.

2. It develops a "safety culture" in that it provides for safety education in our schools. It will help develop "safe attitudes" so they can be safety conscious before entering the workforce.

3. Establishes a training advisory committee.

4. Provides authority for the State Fund to implement variable pricing levels for safety purposes.

5. Provides for surcharging high loss employers.

INTENT:

Mandates safety programs in Montana. It authorizes the Dept of Labor and Industry to provide guidelines in the establishment of safety programs.

Insurers are required to provide their policyholders with safety services to identify, evaluate and control existing and potential hazards in the workplace.

Safety services are:

1. Surveys consisting of on-site identification of potential hazards.

2. Recommendations on how to eliminate or reduce exposure to these hazards.

3. Provide training programs.

4. Accident analysis.

SECTION 5: Employers will conduct an educational-based safety program.

Elements of program:

1. General safety orientation.

2. Job specific safety training.

3. Continuous refresher training, and documented hazard assessment with corrective action.

SECTION 6: Insurers will be required to notify insureds what safety services are available. The safety program will become part of each insurer's insurance contract.

SECTION 8: Establishes a training advisory committee composed of 7 members representing employers, employees and one rep from the department.

SECTION 10: Variable pricing.

1. Variable pricing levels within individual rate classifications to reward good safety performance and penalize poor safety performance.

2. State Fund may assess a 20% surcharge on high loss employers.

****

This bill is a statement of philosophy relating to safety. It is a "clean" bill number one, and secondly it is legislation that can be built upon.

This bill is not perfect, however, it is a place to start and can be improved upon over time.

It is a two pronged approach.

1. Provides education in schools, employers, employees.

2. Mandates and establishes the importance of safety in the workplace.

EXPRESS SERVICES
Temporary & Permanent Personnel

JANUARY 28, 1993

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. #7
DATE 1/28/93
BILL NO. SB 163

TO: SENATOR JOHN HARP

FROM: KAAREN & WAYNE JENSEN
EXPRESS SERVICES
30 EAST WASHINGTON
KALISPELL, MT. 59901
Phone# 257-2255
Fax# 257-5042

Dear John:

Wayne and I wanted you to know that we agree that your Senate Bill 163 does propose a valid public policy for reduction of work place injuries. But we are concerned about several items as they are stated in SB 163 that may force our temporary employment firm and other similar small businesses into hardships unless it is amended to cover any unexpected consequences that may arise.

We agree with the testimony that Mr. Jim Nys presented to the Senate Labor and Employment Relations Committee with regards to SB 163 and feel that his amendment were good and correct.

We feel that the safety programs should be the responsibility of the clients where our employees are assigned.

Your attention to this matter will be appreciated. Please call if you have any questions or concerns.

Sincerely,

Kaaren J. Jensen
Express Services

cc: Senate Labor & Employment Relations Committee

DATE 1/28/93 LABOR

SENATE COMMITTEE ON SB 163, SB 164

BILLS BEING HEARD TODAY: _____

PLEASE PRINT

Name	Representing	Bill No.	Check One: Support	Oppose
CHUCK HUNTER	DEPT OF LABOR & IND.	163	✓	
Don Judge	MT STATE AFL-CIO	HB 163 164	Amend	
Bonnie Crellem	Kalispell Area Chamber	163 & 164	To Amend	
Dee Sullivan	Sullway Construction	163 & 164	✓	
Ruth "	" "	"	✓	
Bill Stevens	MTDA	163	✓	
Jerry Noble	Jerry Noble Inc	163		
Marilyn Hudson	Hudson Furn.	163		
Larry Watson	MT Safety Council	163	✓	
Mike Micone	MRCA	163, 164	✓	
Gary Langley	MMA	163, 164	✓	
John CHEBUL	SKYLINE SPORTSMEN	163 164	✓	
Robert D. Ross	MBIA, FBA, Ross Const	163 -4	✓	
RILEY JOHNSON	NFIB	163 164	✓	
Bill Connor	Coalition	163 164	✓	
Robert W Ross	"	163 - 164	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

DATE 1/28/93

SENATE COMMITTEE ON LABOR

BILLS BEING HEARD TODAY: SB 163, SB 164

PLEASE PRINT

Name	Representing	Bill No.	Check One: Support	Oppose
Jim Nys	Self	SB163		✓
Kathy Simpson	Self	SB163		—
Todd Thum	MMA	SB 163		
Bill Vosser	SCMIF	163		
Jerry Klein	SCMIF	163		
David Hemion	Helena Chamber	163/164		
John King	SCMIF	163	✓	
Russ Ritter	Wash Corp			
B. A. Jacobs	St. Auditor/Ins. Comm.	164		
Jim Tutwiler	MT Chamber		✓	
Charles R Brooks	MT. Ret. Assoc	163/164	✓	
Wagner Wilcox	MT-Chamber		✓	
George Wood	MT Self Insurers	SB 163 SB 164	✓	
Bob Anstrom	DLI	163		
Jim Morin	Great Falls Capital	163		
Jim Burnich	Burnich Mfg	163		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

DATE 1/28/92

SENATE COMMITTEE ON LABOR

BILLS BEING HEARD TODAY: SB 163, SB 164

Name	Representing	Bill No.	Check One Support	Oppose
OKE NEITEBERG	SHERNO CABINETS	163-4	✓	
Russell B Hill	MTLA	163, 164	✓	
Jan Van Riper	self		✓	
Donald D Ross	Ross Const		✓	
JERRY SOMMERS	J's RAINBOW PAINTS	164, 163	✓	
STEPHEN Dyglus	GREAT NORTHERN BUILDERS	163, 164	✓	
FRANK Shepard	Shepard's Glass	163-164	✓	
John R Topp	Belgrade Wood Products	163-164		
Jacqueline Lenmark	American Mtn. Assoc	163, 164	✓	
David Lee	MT. BUILDING ASSOC		✓	
Tony Sadino	Sadino Const		✓	
DENNIS AZBILL	MURPHY'S CARPETECH		✓	
Mark Sonju	CWCSI	163	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

DATE 1-28-93

SENATE COMMITTEE ON Labor

BILLS BEING HEARD TODAY: SB 163, SB 164

Name	Representing	Bill No.	Check One Support	Oppose
Bonnie Norrish	Norrish Bros. Const	163-164	X	
Joe Norrish	" " "	163-164	X	
John Norrish	" " "	163-64	X	
Michael J. Reed	AFL-CIO	163-64	X	
Lorna Frank	Mt. Farm Bureau	164	X	
John Connor	MT County Attys Assn	164	X	
Paul Svircek	self	163-64	X	
Jim Brady	Self		X	
Linda Dirg	✓			
Bob Lee	✓	163-64	X	
Alan Olson	-	163-64	X	
Roger McGlenn	DIA-11	Amends 163	X	
Tyler Gernant	Govs Off	Both	X	
Virginia M. Taylor	Justice			

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

DATE January 28, 1993

SENATE COMMITTEE ON Labor

BILLS BEING HEARD TODAY: SB 163, SB 164

Name	Representing	Bill No.	Check One: Support	Check One: Oppose
Doug Kelley	Express Services	163		X Needs Amend
Bradley B Talcott	James Talcott Const	163	✓	
Steve Turkiewicz	Montana Auto Dealers Assn	163	✓	
Sonny Greer	Greer Const	163		X
Mona Jamison	Mt-Chpt. American Physical Therapy	163, 164	✓	
Don Allen	CWCSI / Mt. Licensed Practical Nurses Assn	163 (Amend), 164	✓	
Keith Olson	MT. Logging Assn	163, 164	✓	
Michael T Reed	AFL-CIO	164	✓	
DAN WALKER	US WEST	163	✓	with Amend
Skip Fincher	SELF	163	✓	With Amend
Wm Egan	IBEW	163	✓	Amend
DAN WALKER	US WEST	164	✓	
Russ Logan	Bldg Chamber	163	✓	
Russ Logan	Bldg Chamber	164	✓	
Mike Stocking	MT. Business Assn	163, 164		
Beth Baker	Dept of Justice	164	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

MINUTES

MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By Sen. Tome Towe, on February 4, 1993, at 1:05 P.M.

ROLL CALL

Members Present:
Sen. Tom Towe, Chair (D)
Sen. Bill Wilson, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Jim Burnett (R)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)

Members Excused:

Members Absent: Sen. Blaylock

Staff Present: Eddye McClure, Legislative Council
Patricia Brooke, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: SB 223
Executive Action: SB 164, SB 163

HEARING ON SB 223

Opening Statement by Sponsor:
Senator Bartlett, Senate District 23, Helena, introduced SB 223 at the request of the Department of Labor. Sen. Bartlett outlined the three primary intentions of SB 223: 1) Conforming Montana law to the Federal Fair Labor Standards Act, 2) Defining hazardous occupations for minors under 18, 3) Establishing maximum hours of work for 14 and 15 year olds and defines the hours of the day during which school age children may work. SB 223 prohibits work during school hours unless the work is associated with a school-related activity. Sen. Bartlett stressed SB 223 will ensure teenagers work in a safe environment but still have adequate time for personal pursuits and to complete their schoolwork. Sen. Bartlett listed the exemptions allowed in SB 223. Sen. Bartlett submitted amendment requests to the Committee(Exhibit #1) and informed the Committee a fiscal note has been requested.

Department of Justice and referred to Beth Baker, Department of Justice to explain the amendments. Ms. Baker conveyed to the Committee that the intent of the amendments to section 3, is to clarify the relationship between the fraud unit of the State Fund and the Department of Justice. The State Fund unit is going to be dealing with prevention and detection, and the Justice unit is going to be dealing with investigation and prosecution. The State Fund unit will refer cases of suspected fraud to the Justice unit, which will take cases from the State Fund and follow them up.

Ms. Baker went on to explain why the amendment is removing the definition of fraud. The definition of fraud in the original SB 164 refers to the theft statute which does not define fraud, but theft. It limits the definition of fraud to wrongfully obtaining benefits, and the Department of Justice would like all types of fraudulent conduct covered.

Ms. Baker addressed the amendments, which clarify the intent of SB 164, that workers not receive benefits and wages at the same time. The way the bill is drafted it is not clear what cases would constitute an offense. Sen. Lynch asked for an example of when a worker would get both wages and permanent total benefits. Nancy Butler, General Counsel for the State Fund, replied normally this would not happen but the amendments clarify it is theft unless the State Fund has given consent.

Sen. Harp stated there is no effective date for SB 164 and he would like it to be July 1.

Motion/Vote: Sen. Lynch moved to AMEND SB 164(Exhibit #8). The motion to AMEND SB 164 CARRIED UNANIMOUSLY.

Discussion: Sen. Harp addressed the amendments offered by Rep. Cocchiarella. He said the record keeping the amendments called for is already being done. Sen. Lynch responded he will feel better if it is known exactly what money is going into fraud prevention.

Motion/Vote: Sen. Lynch moved to AMEND SB 164(Exhibit #9). The motion to AMEND SB 164 CARRIED UNANIMOUSLY.

Motion/Vote: Sen. Keating moved 164 DO PASS AS AMENDED. The motion to DO PASS 164 CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 163

Discussion: Sen. Harp addressed the amendments which refer to temporary workers(Exhibit #10, SB016303, part 7). Sen. Harp agreed temporary workers should follow the safety rules of their temporary employer, not the agency that places them.

Motion/Vote: Sen. Lynch moved to AMEND SB 163(Exhibit #9,

SB16303, parts 1-7). The motion to AMEND SB 163 CARRIED UNANIMOUSLY.

Discussion: George Wood, Executive Secretary, Montana Self Insurers Association, addressed the amendments offered by Sen. Towe(Exhibit #9, SB016305). Mr. Wood said these amendments clarify the intent of SB 163 to cover Plan 2 and Plan 3 only since these are the only insurers who issue policies and would have the obligation to provide safety to their policy holders. Mr. Wood emphasized with these amendments there is no change in substance. Sen. Towe asked Mr. Wood why the insurers should not be covered. Mr. Wood said these particular insurers do not have policy holders. Sen. Towe referred to page 5, line 22 and asked what Plan 1 people are going to fall under. Mr. Wood argued it is not the intent of the bill for the self-insured to notify themselves of safety programs. Sen. Towe did not see any reason for the self-insured to be exempt.

Sen. Harp stated he felt strongly against excluding Plan 1 policy holders.

Sen. Towe listed the amendments to be adopted: #3,4,6,10,15, and 19(Exhibit #9, SB016305) and asked what Sen. Harp felt about #20 and 21. Sen. Harp responded he did not have a problem with those. Both Sen. Harp and Sen. Towe expressed strong opposition to #23 and determined there was no need for amendment #28.

Eddye McClure read the final list of amendments to adopt: #3,4,5,6,7,10,15,17,19,20,21 and 30.

Motion/Vote: Sen. Lynch moved to AMEND SB 163(Exhibit #9, SB16305). The motion to AMEND SB 163 CARRIED UNANIMOUSLY.

Motion/Vote: Sen. Lynch moved to adopt the amendments requested by Representative Cocchiarella(Exhibit #9, SB016301, #2 and 3). The motion to AMEND SB 163 CARRIED with Senators Aklestad and Burnett voting NO.

ROLL CALL

SENATE COMMITTEE LABOR DATE 2/4/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Aklestad	X		
Senator Keating	X		
Senator Blaylock		X	
Senator Lynch	X		
Senator Burnett	X		
Senator Wilson	X		
Senator Towe	X		

FC8

Attach to each day's minutes

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 10
DATE 2/4/93
BILL NO. SB 163

Amendments to Senate Bill No. 163
First Reading Copy

Requested by Representative Cocchiarella
For the Senate Labor Committee

Prepared by Eddye McClure
January 27, 1993

1. Page 2, line 12.
Following: "provide"
Insert: "and maintain a safe place of employment and to provide"

2. Page 9, line 6.
Following: "**program**"
Insert: "-- **expenditure accounting**"

3. Page 9, line 25.
Following: line 24
Insert: "(3) The state fund shall separately account for money expended under [sections 1 through 11 and 39-71-2311]."

Amendments to Senate Bill No. 163
First Reading Copy

Requested by Senator Harp

For the Senate Labor Committee

Prepared by Eddye McClure
February 2, 1993

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 11
DATE 2/4/93
BILL NO. SB 163

1. Page 4, line 4.
Following: "**activities.**"
Insert: "(1)"

2. Page 4, line 6.
Strike: "(1)"
Insert: "(a)"

3. Page 4, line 9.
Strike: "(2)"
Insert: "(b)"

4. Page 4, line 14.
Strike: "(a)"
Insert: "(i)"

5. Page 4, line 16.
Strike: "(b)"
Insert: "(ii)"

6. Page 4, line 18.
Strike: "(c)"
Insert: "(iii)"

7. Page 4, line 21.
Following: line 20
Insert: "(2) An employer who employs temporary workers shall include those workers in the employer's safety program. A temporary services contractor shall provide a safety program for employees not employed by other employers."

MINUTES

MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By Sen. Tom Towe, on February 11, 1993, at 1:05 P.M.

ROLL CALL

Members Present:
Sen. Tom Towe, Chair (D)
Sen. Bill Wilson, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Chet Blaylock (D)
Sen. Jim Burnett (R)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)

Members Excused: None

Members Absent: None

Staff Present: Eddye McClure, Legislative Council
Patricia Brooke, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 174
Executive Action: SB 163, HB 174

HEARING ON HB 174

Opening Statement by Sponsor:
Representative Clark, HD 31, stated HB 174 allows police officers and sheriff deputies covered by a collective bargaining agreement to appeal a disciplinary action pursuant to a grievance procedure contained in a collective bargaining agreement. Rep. Clark informed the Committee that in 1991 there was a similar bill that only affected highway patrol officers. It has been in effect without any problems. Rep. Clark also informed the Committee HB 174 passed the House 100-0.

Proponents' Testimony:
Tom Schneider, Executive Director, Montana Public Employees Association, submitted written testimony(Exhibit #2). Mr. Schneider emphasized HB 174 does not mandate anything.

John Manger, Business Representative, Teamsters' Union, urged the

District Court.

Sen. Towe asked Alec Hanson what is wrong with going through the Police Commission procedure and then allowing an appeal into the grievance procedure or into an arbitration procedure after that. Mr. Hanson referred the question to Bill Ware who responded that management wants to reserve the right to hire, fire, and discipline. Mr. Ware said the officers have an appeal process in place and they should be held accountable for their actions. Mr. Ware said he does not believe that the unions should be getting something in a union contract to negate that. He said HB 174 is a "union bill."

Sen. Towe rephrased his question to Mr. Ware and asked, assuming the current process is kept and the only change is that instead of appealing to court on the decision, the party can go through arbitration, what is the problem. Mr. Ware stated the problem is the arbitrator does not have to follow due process. Alec Hanson stated the reason his Organization is opposed to HR 174 is because it creates another step to the process, adds to the cost, and the city has no right to appeal. Sen. Towe stated that generally it is cheaper to go through arbitration than to go to District Court.

Sen. Towe asked Mr. Schneider how he responds to the argument that to inject a grievance procedure seems an unrealistic addition to the whole process. Mr. Schneider said the intention is to spell out the grievance procedure in the contract not mandate an appeal to District Court, rather go through collective bargaining with the intention to get to binding arbitration.

Sen. Towe asked Mr. Schneider if the proposed process reduces the role of the Police Commission to something very meaningless if all parties know the dispute will end up in final arbitration, regardless of what the Commission decides. Mr. Schneider stated that situation exists now where everyone knows the decision will end up in District Court.

Sen. Towe asked Mr. Schneider what he thinks of the proposed amendment that puts the Police Commission process after the District Court. Mr. Schneider stated his understanding is that the officer chooses at the start which process to go through.

Sen. Keating asked Mr. Schneider if the Police Commission can render a decision that is not final, but that the mayor can accept, amend, or reject. Mr. Schneider responded in the affirmative.

Closing by Sponsor:
Rep. Clark stated HR 274 will give officers a choice and he supports the proposed amendment.

EXECUTIVE ACTION ON SB 163

Discussion: Russell Hill, Montana Trial Lawyers Association, discussed the issue of immunity in SB 163. Mr. Hill explained that in the context of the amendments, negligence only covers the instance when the safety consultants are on the scene. Mr. Hill's concern is that when the insurer, when rendering the services, is grossly negligent or wanton misconduct is involved, and two months later as a result of the program that was initiated, somebody is hurt. In that instance there is a difference between actual malice (as addressed on page 9, line 4) and gross negligence or wanton misconduct.

Sen. Lynch stated he is not convinced SB 163 needs to be amended to address Mr. Hill's concerns.

Motion/Vote: Sen. Lynch moved SB 163 DO PASS AS AMENDED(Exhibit #1). The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HR 174

Discussion: Sen. Towe stated there are two conflicting concepts when looking at HR 174. One is that the public has a large interest when dealing with the police officers which is why Police Commissions have been set up. The other concept is the collective bargaining concept, with the union being entitled to represent their members and advocate on their behalf. Arbitration is far superior for this, rather than taking it through a court process.

Motion: Sen. Burnett moved HR 174 DO NOT PASS.

Discussion: Sen. Keating stated he is not against collective bargaining, but the Police Commission that is set up appears to work. The Committee discussed the part of HR 174 that dictates the party must go to Court after the decision is made by the Police Commission. Sen. Blaylock stated his concern that the City Executive has the authority to ignore the decision made by the Police Commission. Sen. Keating suggested the Code can be amended to give the Police Commission final authority on the decision. Sen. Aklestad stated the vast majority of the officers do not want this bill passed.

Motion/Vote: Sen. Lynch made a substitute motion to TABLE HR 174. The motion passed with Senators Blaylock, Burnett, and Towe voting NO.

ROLL CALL

SENATE COMMITTEE LABOR DATE 2/11/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Aklestad	X		
Senator Keating	X		
Senator Blaylock	X		
Senator Lynch	X		
Senator Burnett	X		
Senator Wilson	X		
Senator Towe	X		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

February 12, 1993

MR. PRESIDENT:
We, your committee on Labor and Employment Relations having had under consideration Senate Bill No. 163 (first reading copy -- white), respectfully report that Senate Bill No. 163 be amended as follows and as so amended do pass.

Signed: Thomas E. Towe
Senator Thomas E. "Tom" Towe, Chair

That such amendments read:

1. Page 3, line 3.
Following: "aid"
Strike: "a policyholder, management, or an employer"
Insert: "an insured employer"

2. Page 3, line 15.
Following: "to"
Strike: "policyholders or employers"
Insert: "an insured employer"

3. Page 3, line 21.
Following: "advise"
Insert: "insured"

4. Page 3, line 22.
Following: "the"
Strike: "policyholder's"
Insert: "insured employer's"

5. Page 4, line 4.
Following: "activities."
Insert: "(1)"

6. Page 4, line 6.
Strike: "(1)"
Insert: "(a)"

7. Page 4, line 9.
Strike: "(2)"
Insert: "(b)"

8. Page 4, line 14.
Strike: "(a)"
Insert: "(i)"

9. Page 4, line 16.
Strike: "(b)"
Insert: "(ii)"

10. Page 4, line 18.
Strike: "(c)"
Insert: "(iii)"

11. Page 4, line 21.
Following: line 20
Insert: "(2) An employer who employs temporary workers shall include those workers in the employer's safety program. A temporary services contractor shall provide a safety program for employees not employed by other employers."

12. Page 5, line 11.
Following: "comprehensive"
Insert: "and effective"

13. Page 5, line 23.
Strike: "policyholder or employer"
Insert: "insured employer"

14. Page 6, line 4.
Following: "its"
Strike: remainder of line 4
Insert: "insured"

15. Page 6, line 9.
Following: line 8
Strike: "policyholder's or"
Insert: "insured"

16. Page 6, line 12.
Following: "to"
Insert: "insured"

17. Page 6, line 15.
Following: "each"
Strike: "policyholder or"
Insert: "insured"

18. Page 6, lines 23 and 24.
Following: "years" on line 23
Strike: remainder of line 23 through "commissioner" on line 24

19. Page 7, line 9.
Following: "vacancy"
Strike: remainder of line 9 through "expires"

20. Page 9, line 6.
Following: "program"
Insert: "-- expenditure accounting"

21. Page 9, line 18.
Following: line 17
Strike: "an insurer's"
Insert: "the"

22. Page 9, line 25.
Following: line 24
Insert: "(3) The state fund shall separately account for money expended under [sections 1 through 11 and 39-71-2311]."

23. Page 10, line 4.
Following: line 3
Strike: "policyholders or"
Insert: "insured"

-END-

CLERICAL

S Bill No. 163

Date: 2-12-93

Time: 5 pm

MER
(Legislative Council Staff)

☑ Thomas E. Towe Labor
S / H Standing Committee

Thomas E. Towe
(Chairman)

☐ S / H Committee of the Whole

(Sponsor)

In accordance with the Rules of the Montana Legislature, the following clerical errors may be corrected:

22 insert: "... [sections 1 through 11] and 39-71-2311(1)."

An objection to these corrections may be registered by the Secretary of the Senate, the Chief Clerk of the House, or the sponsor by filing the objection in writing within 24 hours after receipt of this notice.

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 1
DATE 2/11/93
BILL NO. SB 163

Amendments to Senate Bill No. 163
First Reading Copy

For the Senate Labor Committee
Prepared by Eddye McClure
February 1, 1993

1. Page 3, line 3.
Following: "aid"
Strike: "a policyholder, management, or an employer"
Insert: "an insured employer"

2. Page 3, line 15.
Following: "to"
Strike: "policyholders or employers"
Insert: "an insured employer"

3. Page 3, line 21.
Following: "advise"
Insert: "insured"

4. Page 3, line 22.
Following: "the"
Strike: "policyholder's"
Insert: "insured employer's"

5. Page 4, line 4.
Following: "activities."
Insert: "(1)"

6. Page 4, line 6.
Strike: "(1)"
Insert: "(a)"

7. Page 4, line 9.
Strike: "(2)"
Insert: "(b)"

8. Page 4, line 14.
Strike: "(a)"
Insert: "(i)"

9. Page 4, line 16.
Strike: "(b)"
Insert: "(ii)"

10. Page 4, line 18.
Strike: "(c)"
Insert: "(iii)"

11. Page 4, line 21.
Following: line 20
Insert: "(2) An employer who employs temporary workers shall include those workers in the employer's safety program. A temporary services contractor shall provide a safety program

for employees not employed by other employers."

12. Page 5, line 11.
Following: "comprehensive"
Insert: "and effective"

13. Page 5, line 23.
Strike: "policyholder or employer"
Insert: "insured employer"

14. Page 6, line 4.
Following: "its"
Strike: remainder of line 4
Insert: "insured"

15. Page 6, line 9.
Following: line 8
Strike: "policyholder's or"
Insert: "insured"

16. Page 6, line 12.
Following: "to"
Insert: "insured"

17. Page 6, line 15.
Following: "each"
Strike: "policyholder or"
Insert: "insured"

18. Page 6, lines 23 and 24.
Following: "years" on line 23
Strike: remainder of line 23 through "commissioner" on line 24

19. Page 7, line 9.
Following: "vacancy"
Strike: remainder of line 9 through "expires"

20. Page 9, line 6.
Following: "**program**"
Insert: "**-- expenditure accounting**"

21. Page 9, line 18.
Following: line 17
Strike: "an insurer's"
Insert: "the"

22. Page 9, line 25.
Following: line 24
Insert: "(3) The state fund shall separately account for money expended under [sections 1 through 11 and 39-71-2311]."

23. Page 10, line 4.
Following: line 3
Strike: "policyholders or"
Insert: "insured"

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0534	COCCHIARELLA, VICKI 2/09	2/15	RATES & RATING PLANS BE DEVELOPED WITHOUT REGARD TO MEDICAL DEDUCTIBLE PAID	DO PASS 2/15 VOTE: 5-0		2/18
HB0587	HARPER, HAL 2/10	2/15	REVISE WORK COMP CLASSIFICATION AND RATING COMMITTEE PROVISIONS	PASS AS AMENDED 3/10 VOTE: 6-0	LABOR & EMPLOYMENT	3/11
HB0604	JOHNSON, ROYAL 2/12	2/15	REVISE WORK COMP - RISK POOL - EMPLOYER/EMPLOYEE PAYROLL TAX - RATE INCREASE	TABLED ON 03/05 VOTE: 5-0		
HB0622	EWER, DAVID 2/13	2/17	GENERALLY REVISE WORK COMP AND OCCUPATIONAL DISEASE LAWS	PASS AS AMENDED 3/12 VOTE: 6-0	LABOR & EMPLOYMENT	3/13
HB0628	TOOLE, HOWARD 2/13	2/17	CARE MANAGEMENT/BUDGETING FOR WORK COMP; CREATE MEDICAL PROCEDURES AUTH. COM	PASS AS AMENDED 3/10 VOTE: 4-2	LABOR & EMPLOYMENT	3/11
HB0672	HIBBARD, CHASE 3/11		REVISE WORK COMP PAYROLL TAX AND BONDING PROVISIONS	PASS AS AMENDED 3/12 VOTE: 6-0		3/13
HB0686	DRISCOLL, JERRY		EXPAND WORKERS' COMPENSATION PAYROLL TAX BASE	FAILED VOTE: 3-3		
SB0163	HARP, JOHN 2/23	3/03	CREATE SAFETY CULTURE ACT REQUIRING EMPLOYERS ESTABLISH SAFETY PROGRAMS	CONCUR VOTE: VOICE	LABOR & EMPLOYMENT	3/11
SB0164	HARP, JOHN 2/23	3/05	CREATE FRAUD INVESTIGATION OFFICE IN DEPT OF JUSTICE & PREVENTION IN ST FUND	CONCUR VOTE: VOICE	LABOR & EMPLOYMENT	3/11
SB0258	HARP, JOHN 2/23	3/05	CLARIFY WORKERS' COMPENSATION SUBROGATION RIGHTS	CONCUR AS AMENDED 3/8 VOTE: 6-0		3/11
SB0347	HARP, JOHN 2/24	3/10	GENERAL REVISION WORK COMP -- MEDICAL COST CONTAINMENT	CONCUR AS AMENDED 3/10 VOTE: 6-0	LABOR & EMPLOYMENT	3/11
SB0394	HARP, JOHN 3/01	3/08	REGULATE ATTORNEY FEES FOR WORKERS' COMPENSATION CASES	CONCUR AS AMENDED 3/10 VOTE: 4-2	LABOR & EMPLOYMENT	3/11

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON WORKERS' COMPENSATION

Call to Order: By **VICE CHAIRMAN JERRY DRISCOLL,** on March 3, 1993, at 3:00 P.M.

ROLL CALL

Members Present:
Rep. Chase Hibbard, Chairman (R)
Rep. Jerry Driscoll, Vice Chairman (D)
Rep. Steve Benedict (R)
Rep. Ernest Bergsagel (R)
Rep. Vicki Cocchiarella (D)
Rep. David Ewer (D)

Members Excused: None

Members Absent: None

Staff Present: Susan Fox, Legislative Council
Evy Hendrickson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: **SB 163**
Executive Action: **SB 163, HB 511, HB 455**

VICE CHAIRMAN DRISCOLL called the meeting to order.

HEARING ON SB 163

Opening Statement by Sponsor:

SEN. JOHN HARP, Senate District 4, Kalispell, said the bill was introduced at the request of Governor Racicot and would require employers to establish safety programs; require safety training and education programs; require workers' compensation insurers to provide safety consultation services; grant immunity to insurers for certain occurrences; create a safe employment, education and training advisory committee; allow the State Fund to implement variable pricing levels; allow the State Fund to place a surcharge on high-loss employers; amend Section 39-71-2311, MCA; and provide effective dates. **EXHIBIT 1**

Proponents' Testimony:

Don Allen, said that the **Coalition of Work Comp System Improvement,** had developed a set of recommendations and that safety was one of the four main areas addressed. SB 163 incorporates most of the Coalition's recommendations. The Coalition, representing over 200 employers, employees, organizations and associations representing over 50,000 people, endorsed the reasons for the bill outlined by **SEN. HARP.**

Harlee Thompson, member of the safety committee of the **Coalition for Work Comp System Improvement (CWCSI),** presented testimony. **EXHIBIT 2**

Rick Hill, representing the **Governor's Office,** said this was one of several measures the Governor specifically mentioned in the State-of-the-State message with regard to workers' compensation problems. They support the bill.

Pat Sweeney, representing the **State Fund,** supported SB 163 as this would reduce the cost of workers' compensation coverage and the suffering of injured workers by preventing the injury before it occurred.

Mr. Sweeney said the bill would add four additional safety consultants to the current field staff of seven. This would also allow for approximately 1,600 additional contacts with employers in a year by the State Fund. They would also add four safety consultants to the office in Helena which would be divided into two units. Two persons would be dedicated to conducting group training seminars; this would provide contact and exposure to small policy holders. Two persons would be dedicated to the production, publication and distribution of training materials, guidelines, video tapes and other materials for businesses to borrow or purchase. These additional staff persons would enable the State Fund to facilitate establishment of the safety programs by employers and employees.

In addition, the State Fund would be given the authority to access a surcharge of an additional 20% for high loss employers. The section providing immunity to insurers in the provision of safety services would promote the ability to provide services to employers and would ultimately promote safety in the work place.

Mr. Sweeny said the State Fund urged a do pass on this bill and believed this was one of the most important pieces of legislation to reduce the cost of workers' compensation in this state for both employers and employees.

Jerry Kline, Director of Loss Prevention for the State Fund, said they are doing as much as physically possible with the resources available to reach employers who have high loss problems and provide them with assistance. They currently have a staff of seven consultants who secure employers, write safety programs,

set up job descriptions and functional task analyses to use in early return-to-work programs, perform job safety analyses, conduct training sessions and do whatever possible to help the employer improve. The State Fund could assist with getting the program established for the employer.

Mr. Kline then gave examples of the results achieved. He said they do get results; safety is only one piece of the workers' comp puzzle and a very positive piece. He urged a do pass which would enable the State Fund to have a greater impact on the losses the employers and employees are experiencing.

George Wood, Executive Secretary of the Montana Self Insurers Association, said they strongly supported the legislation as they have had effective safety programs for years. He said they are under programs from the Department of Labor and Industry and the guaranty fund that requires safety programs. **Mr. Wood** urged a do pass on this bill.

Mike Micone, representing the **Montana Motor Carriers Association (MMCA),** supported SB 163. He said MMCA initiated a safety program working with the State Fund three years ago, and every member's mod factors have been reduced significantly.

Riley Johnson, representing **the National Federation of Independent Business (NFIB),** said they did not have a valid position on SB 163; however, **NFIB** strongly supported **SEN. HARP'S** other three workers' comp bills, mainly the fraud, lawyers' fees and medical description that will come before the committee at a later time. **Mr. Johnson** said NFIB would support this package which would include SB 163.

Chuck Hunter, representing the **Department of Labor and Industry,** said the bill would expand the department's safety effort in two areas. One, it would require the department to prepare rules on safety programs and it would require work with the advisory committee and use the expertise already around the state in helping guide those rules.

Secondly, the bill would require the department to work with school students. They would attempt to stress the importance of safety prior to young people's entry into the work force.

Darrell Holzer, representing the **Montana State AFL-CIO,** said they strongly supported the bill and commended **SEN. HARP.** They have two areas of concern. One is granting civil immunity to insurers who either furnish or fail to furnish workers' consultation services, although the bill does provide exceptions for such services that are clearly inappropriate. If insurers are going to be able to write policies, they should be liable for not providing safety consultation service.

Mr. Holzer said the second concern is requiring that a worker's satisfactory job performance is contingent upon an arbitrary

safety awareness standard, not clearly defined in the statute which may conflict with existing collective bargaining agreements. They offered to work with the committee to address those concerns and they strongly recommended a do pass.

Russ Ritter, representing **Washington Corporations,** said their seven companies operate in the state of Montana and each one of the companies has its own safety officer. Their safety programs are extremely effective, and he applauded **SEN. HARP,** the committee, and others who are addressing this issue.

Bob Worthington, Programs Administrator for the Montana Municipal Insurance Authority (MMIA), said they represent approximately 7,000 employees and insure 86 cities and counties across the state. Their program is seven years old and represents what safety programs can do. They have experienced a great deal of success in reducing the cost to their members.

Mr. Worthington said the one area the committee should consider is the assessment process being based on a future service basis rather than a straight assessment process. They also represent the taxpayers, and tax dollars are going to provide that through their assessment. In some areas it would be a duplication of services and double taxation for their representatives.

James Tutwiler, Montana Chamber of Commerce, said they supported SB 163.

Russell Hill, representing the **Montana Trial Lawyers Association (MTLA),** submitted written testimony. **EXHIBIT 3**

Charles Brooks, representing the **Montana Retailers Association, Montana Hardware Implement Dealers, and the Montana Tire Dealers,** said two of their members had installed highly successful safety programs. Noble Tire Company has several locations throughout the state and is operating at about 60%; Gallatin Equipment in Bozeman is privately insured and has one of the finest safety programs of farm implement dealers in the state of Montana. **Mr. Brooks** said his organizations were strongly behind **SB 163** and urged a do pass.

Jacqueline Lenmark, representing the **American Insurance Association (AIA),** supported the passage of SB 163. She called the committee's attention to the section of the bill authorizing the department to avail itself of private entities for educational services and contributions. AIA commented to the Governor's task force when this idea was being generated and to the Senate Committee that they would like to assist in providing those educational services and wanted to reiterate that to this committee as well.

Mona Jamison, representing the **Montana Association of the American Physical Therapy Association,** strongly supported this legislation. They believed through education and safety programs

the state could control and diminish injury and illness.

Keith Olsen, representing the **Montana Logging Association,** said they strongly supported SB 163.

Ray Barnicoat, Risk Manager for the Montana Association of Counties, said they fully supported this bill. He said the only concern is in the assessment area, and they would like the committee to consider working out something on the user basis.

Bill Christianson, Risk Manager for the Montana School Services Foundation, said they administer the Montana schools workers' comp program and insure over 23,000 employees in 230 school districts. He said he was with the State Fund prior to this and knows this bill would be a good instrument for the State Fund. He reiterated the same concern on the assessment for plan one, saying that the assessment would be unduly large for the school group. He asked that the committee look into changing the assessment, but they do support the bill.

Questions From Committee Members and Responses:

REP. BENEDICT asked **SEN. HARP** if he had modeled this bill on a particular state's safety program. **SEN. HARP** said to some degree he modeled it after the Oregon plan but also tried to fit it to Montana's needs. The difference was in having an effective comprehensive plan and more of a volunteer plan with five or more employers.

REP. BENEDICT asked why **SEN. HARP** decided to drop it from ten to five employees. **SEN. HARP** said 60% of the State Fund's policyholders have five or fewer employers, and they wanted to include everybody in the safety program; that's why the break off was at five.

REP. BENEDICT asked **Chuck Hunter** when he set up the criteria for the safety programs how he would write the rules and what kind of input would he receive so that the rules are not the same for a high risk business as a low risk business like a radio station. **Mr. Hunter** said the bill had quite a list of specific things that must be addressed in the safety program. They would get input from people in the work place and who are knowledgeable about safety. They would take into consideration things like risk factors and size of employers.

CHAIRMAN HIBBARD asked **SEN. HARP** what recourse there would be if employers didn't elect to put the safety committee into effect as required by the bill if there are five or more employees. There would be a 20% surcharge if they were unsafe but possibly several could operate without the safety program and get into the upper echelon where they qualify. **SEN. HARP** said the surcharge would go into place but the employer would be informed and educated at some point. **SEN. HARP** said the department would look at that on

a quarterly basis so they would be able to change or respond as quickly as possible.

REP. EWER asked **SEN. HARP** what the funding would be for the safety programs other than a higher surcharge. **SEN. HARP** said the primary funding would come from the State Fund itself to the employers of Montana; the assessment kicks in from the Department of Labor.

REP. EWER asked **Mr. Hunter** if his department had the ability to asses every employer. **Mr. Hunter** said the State Fund, as an insurer, the private insurers and the self insurers all pay for the regulator function housed in the Department of Labor. **Mr. Hunter** believed since they already run the safety programs, to be assessed again and safety rules set would be a duplication of what they already had.

SEN. HARP said currently, 75% of premiums are in the State Fund and asked the committee to think about all the employers in Montana who currently don't have any safety programs. The crisis is not with plan one or plan three; it is with the State Fund.

SEN. HARP said basically the people who are going to pay for this program are the same people who have no safety program at all.

SEN. HARP said the benefit side of this bill was the fact the department would be going to all the high schools in Montana to educate high school seniors before they enter the work place.

As a follow up to **CHAIRMAN HIBBARD'S** question, **REP. BENEDICT** asked **SEN. HARP** how they would tell whether a small company with a good safety record with eight employees had a safety program in place. **SEN. HARP** said at some point, with additional field people, they would hope to have an additional 1600 contacts per year and would hope to reach those people. The safety consultants would communicate that by mail, phone, and by physically getting in contact with these people. The Department of Labor would play a roll in getting the word out that there would be a safety program implemented.

Mr. Cline said the intent of the bill was one of cooperation and working with each other. Safety doesn't cost; it pays benefits to implement a good safety program.

REP. DRISCOLL asked **SEN. HARP** whether there would be pamphlets, booklets or some other type of education for small employers who don't know anything about safety so they would know how to comply with Section 5.

SEN. HARP said pamphlets would definitely be one way and this had been addressed by inclusion in the fiscal note.

REP. COCCHIARELLA asked what the accountability would be besides the language that says the State Fund would separately account

for money it has spent. Would there be another way to have a control mechanism on safety so it didn't become a monster that would be taking from the Fund?

SEN. HARP said they would keep close watch; if there seemed to be a monster growing, it would be checked.

Closing by Sponsor:

SEN. HARP referred to line 21, page 2 and said he was contemplating an amendment to this section. He said part of the employees' job performance should be to work with a safety program as a team work effort. **SEN. HARP** also said in dealing with trial lawyers, they need to expand the ability for one to potentially sue. He thinks it makes sense to allow insurers the same protection allowed employers under the exclusive remedy protection. He said the intent of the bill was to facilitate a safe work place in Montana.

EXECUTIVE ACTION ON SB 163

Motion: REP. BENEDICT MOVED SB 163 BE CONCURRED IN.

Discussion: CHAIRMAN HIBBARD said the bill was a step in the right direction and that, if the bill was passed and safety programs were implemented, it may be something people would want to do voluntarily and the state would see a financial return.

REP. DRISCOLL said he would like to propose amendments to SB 163. He said in talking to the department, helping employers and employees with manuals on how to do this is important.

REP. EWER said he would hope that the Fund really would be serious about having literature so people would know what they could do in the area of safety.

REP. BENEDICT said he strongly supported the bill and believed this was one of the most important pieces of legislation that the committee would pass this session in terms of bringing overall costs down and in trying to prevent accidents before they happen.

Motion/Vote: REP. DRISCOLL called the question. Voice vote was taken. Motion carried.

EXECUTIVE ACTION ON HB 511

Motion: CHAIRMAN HIBBARD MOVED HB 511 DO PASS.

Discussion: CHAIRMAN HIBBARD discussed the first amendment on line 25, page 1. **EXHIBIT 4**

HOUSE OF REPRESENTATIVES
53RD LEGISLATURE - 1993
SELECT COMMITTEE ON WORKERS COMPENSATION

ROLL CALL DATE 3-3-93

NAME	PRESENT	ABSENT	EXCUSED
CHASE HIBBARD, CHAIRMAN	✓		
JERRY DRISCOLL, VICE CHAIRMAN	✓		
STEVE BENEDICT	✓		
ERNEST BERGSAGEL	✓		
VICKI COCCHIARELLA	✓		
DAVID EWER	✓		

HR:1993
wp.rollcall.man

HOUSE SELECT COMMITTEE REPORT

March 9, 1993

Mr. Speaker: We, the select committee on Workers' Compensation recommend that Senate Bill 163 (~~first~~ third reading copy -- ~~white~~ blue) BRT do be concurred in, and that the House refer the bill to the House Committee on Labor and Employment Relations for its consideration as part of the Workers' Compensation package.

Signed: Chase Hibbard
Chase Hibbard, Chair

Committee Vote:
Yes 12, No 3.

541542SC.Hpf

EXHIBIT
DATE 3-3-93
SB 163

TESTIMONY ON S.B. 163
by Senator John Harp

At the request of Governor Racicot, I am introducing a bill to promote safety for workers' in Montana. The workers' compensation system needs changes to reduce premium for employers but also to provide for the ultimate in cost containment, which is to prevent injuries before they occur. Preventing injuries before they occur also truly benefits our workers.

This bill focuses on safety from several perspectives as it addresses the role of employer and employee, workers' compensation insurers and the Department of Labor. What we need to establish in Montana is a safety culture and this bill I believe provides us the tools.

The basis for this bill comes from Oregon but it has been adapted to Montana. This is one approach they used to decrease costs in the workers' compensation system and they have actually seen a decrease in premium rates in Oregon.

This bill's primary focus is on the employer and employee. The employer will be required to establish a safety program. These are not intended to be burdensome to implement and carry out. The program is to consist of:

(a) a safety training program for employees;

(b) periodic hazard assessment; and

(c) documentation of performance of these activities.

Employers with five or more employees will also be required to have in addition:

(a) a safety committee that holds regularly scheduled meetings;

(b) procedures for reporting and investigating work-related incidents; and

(c) policies and procedures that assign specific safety responsibilities and safety performance accountability.

The Department of Labor's role is important as they will have two primary functions. The first is to implement a safety advisory committee at the Department of Labor which is made up of three members representing employers, three members representing employees, and one member representing the Department of Labor. This committee's function is to advise the Department in facilitating employers in establishing their safety programs.

The advisory committees also have the even more important function of providing education to Montana students on safety before they enter the work force full time. A third function of the committee is to universally increase safety awareness in the work place. This will pay off for all employers and insurers, as safety on the job will then be an expectation by workers from their perspective employers. Labor's second function will be to promulgate rules on implementing safety programs, again we can use Oregon's rules as a basis for promulgating our own.

The insurer's role in this bill is one that requires the insurer to provide safety consultative services to their insureds as part of the insurer's responsibility in providing coverage. Priority is to be given to those employers that have an unreasonably high actual or potential loss experience. Safety consultative services will include:

(a) identification and evaluation of exposures;

(b) recommendation on control of exposures and on improvement of safety programs;

(c) training programs;

(d) consultations to advise employers;

(e) accident analysis; and

(f) industrial hygiene services.

Immunity for safety consultative services is also provided for in this bill. If we are to contain the cost of workers' compensation insurance, insurers need to be able to provide safety consultations and employers need to be able to receive these services without an insurer incurring liability which exceeds the employers liabilty under the exclusive remedy provision of the Workers' Compensation Act.

Insurers also need the ability to increase or decrease premium to provide an inducement to employers to provide safety, but should not be in the role of a safety enforcer. The State Fund has been given authority in this bill to provide for a level of higher premiums for those employers who do not satisfactorily implement safety programs. In addition, the bill provides for a surcharge of an additional 20% on high-loss employers.

The State Fund currently has three premiums levels for each class code under their current plan of variable pricing. Each

policy is analyzed and placed into one of the three levels based on criteria established by the Board of Directors.

This bill adds two unique provisions to provide for higher premiums. It is anticipated that employers who do not satisfactorily implement safety programs will receive a percentage increase, determined by the Board, which will be attached to the employer's premium level. A percentage increase on a premium level allows for flexibility as it can be added or removed quarterly.

The surcharge of 20 percent on high loss employers can be assessed on all employers who meet the criteria established by the Board. The 20 percent would be added to the premium the employer would pay.

Both of these provisions may be applied to all employers, regardless of total premium payable each year, and in addition to other premium modifiers, such as the experience modification factor.

This bill will be effective 1/1/94 and thereby provides sufficient time for the Department of Labor to promulgate rules for safety programs and also allows insurers to be in a position to assist employers in implementing safety programs.

Conclusion

This is potentially the most important component of changes to the workers' compensation system the Legislature will be looking at this year. Prevention of accidents is our goal here, and I believe this bill by utilizing the efforts of employers, employees, insurers and the Department of Labor, will accomplish our goal.

EXHIBIT 1
DATE 3/3/93
SB 163

COALITION FOR
WORK COMP
SYSTEM IMPROVEMENT

EXHIBIT 2
DATE 3-3-93
~~HB~~ SB 163

SB 163
Creating the Montana Safety Culture Act

Recommend:
Do Pass

Mr. Chairman, Members of the Committee:

I am Harlee Thompson member of the safety committee of the Coalition for Work Comp System Improvement (CWCSI).

The best claims management the work comp system can have is prevention! The best medical care the work comp system can provide is prevention! The best way to keep the work comp system out of the courts is prevention! The easiest way to fix the work comp system is to prevent an accident from ever happening!

SB 163 is a very good start to help prevent work place injury and illness. It will require insurers to provide aid to every insured employer to help setup and maintain a quality safety program. Currently the insurer has no obligation to do so. In fact even if an insured employer approaches and begs for help setting up a safety program some insurers do little or nothing until the employers loss ratio goes above 60%. That makes good sense, if losses are low why help keep them that way?

SB 163 also mandates education in our school system. This program will begin educating our children and grandchildren of the basic safety skills in the work place before they ever enter the work force. It will educate our future employers of the importance of safety in their future work places. This will have long range and far reaching effects. It will prepare our youth to be safety aware at all times, in and out of the work arena. This will reduce accidents in the home, as they begin to drive, and even while they are playing. This will reduce medical cost and liability across the board, something not only the state but the nation desperately needs.

SB 163 will penalize employers that do not implement a safety program in the work place. There already is tiered pricing inside the various class codes but the breaks between the levels are not enough. There will be a surcharge of 20% added to the high loss employers. If there is a flaw in this bill it is the 20% surcharge. I feel that if an employer doesn't implement a safety program and continues to have accidents the rate should be high enough to drive the employer out of business before another one of his workers gets injured.

Again the Coalition for Work Comp system Improvement and I would like to urge a DO PASS on SB 163.

Executive Director, Don Allen *P.O. Box 642 Helena, MT 59624* *Chairman, Jim Senrud (406) 752-2422 • FAX 752-2661*

EXHIBIT
DATE 3-3-93
SB 163

Montana Trial Lawyers ASSOCIATION

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Director Emeritus
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omas J. Beers
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Michael E. Wheat
Secretary-Treasurer
William A. Rossbach
Governor
Paul M. Warren
Governor

March 3, 1993

Rep. Chase Hibbard, Chair
House Select Committee on Workers Compensation
Room 325, State Capitol
Helena, MT 59624

RE: SB 163

Mr. Chair, Members of the Committee:

Thank you for this opportunity to express MTLA's qualified support for SB 163.

MTLA has long advocated safety programs to reduce workplace injuries, workers compensation claims, and ultimately employer premiums. MTLA supports the provisions in SB 163 which require employers to establish and administer safety programs. MTLA supports the provisions in SB 163 which require employees to participate in ongoing safety training programs. MTLA supports the provisions in SB 163 which require workers compensation insurers to provide safety consultation services to their policyholder employers. And MTLA supports the provisions in SB 163 which implement variable pricing levels to reward employers with good safety records and penalize employers with poor safety records.

Moreover, upon closer analysis, MTLA has concluded (contrary to its earlier testimony) that Section 9 of the bill does not immunize workers compensation insurers who negligently fail to furnish safety consultation services. Despite the initial reference in that section to "failure to furnish safety consultation services" (page 8, lines 21-22), the operative language of the section refers only to "damages from injury, loss, or death, whether direct or consequential, occurring as a result of any act or omission by any person in the course of providing safety consultation services." [emphasis added] To the very limited extent, therefore, that SB 163 holds insurers liable to insured employers for breach of the insurance contract and statutory violations which result in injuries, MTLA believes the bill genuinely encourages safety. Regrettably, though, the provisions of

Section 7 concerning insurer discretion in providing safety consultation services (page 6, lines 20-21) and prioritizing responses to requests for those services (page 6, lines 24-25) drastically constrict this liability.

MTLA opposes several provisions of SB 163:

1. Section 9, which provides virtually blanket immunity to workers compensation insurance companies which do provide safety consultation services, cripples the bill. Expert safety consultation services are the key component of this plan to reduce workplace injuries, and SB 163 properly requires insurers to provide safety consultation services. But then the bill insulates those same insurers from liability when they carelessly furnish those services, even when they are grossly negligent in furnishing those services. Since civil liability provides more reliable guarantees of compliance than administrative enforcement, MTLA proposes the following amendment to Section 9:

Page 8, line 21.
Following: "(1)"
Strike: "The"
Insert: "Except in cases of gross negligence or willful or wanton misconduct, the"

2. As amended by the Senate, Section 5 mandates the department of labor to adopt rules which require "an employer of more than five employees to have a comprehensive and effective safety program" (page 5, lines 23-24), yet those employers have no recourse whatsoever against insurers who provide only minimal, ineffective safety consultation services. In other words, SB 163 subjects non-complying employers to increased penalties (for example, Section 10, subsection (1)(a), page 9, line 22 through page 10, line 4) with no corresponding guarantee that they can comply.

3. SB 163 insulates the State Fund, private insurers, and self-insurers alike from liability but requires no corresponding demonstration by private insurers or self insurers that their safety consultation services are efficient or effective. Section 10 should require all workers compensation insurers, not just the State Fund (page 10, lines 15-16) to regularly record and report expenditures for safety consultation services separately, in conjunction with their loss experience.

4. Section 7 requires workers compensation insurers to provide safety consultation services upon request but establishes no meaningful standard for those services. Safety engineering is a recognized discipline, and SB 163 should require safety consultation services to meet the objective criteria of nationally recognized certifying bodies.

Thank you for considering these comments. If I can provide additional information or assistance, please notify me.

Respectfully,

Russell B. Hill, Executive Director

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Select Workers Comp COMMITTEE BILL NO. SB 163

DATE 3-3-93 SPONSOR(S) Sen Harp

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Mike Micone	MMCA	X	
Bart Anderson	ALI		
Dian [illegible]	ERD-DLI		
Jim Tletwiler	MT Chamber	✓	
Harrell Holzer	Mt. St. AFL-CIO	✓	
George Wood	MT Self Insurers Assn	✓	
Jerry Klein	SIMCIF	✓	
HARLee Thompson	CWCSI	X	
Riley Johnson	NFIB	X	
Mark Hamilton	MCAPA	X	
Charles R. Brooks	MT Retail Assoc	✓	
Dick [illegible]	Gov Office	✓	
Bob Worthington	DLI	—	
Russell B Hill	Mont Trial Lawyers	—	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

House Select Comm NR COMMITTEE BILL NO. SB 163

DATE 3-3-93 SPONSOR(S) Harp

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jacqueline Denmark	AIA	✓	
Pat Sweeney	State Fund	✓	
Chuck Hunter	DOLI	✓	
Robert Ober	MT Hospital Assoc	✓	
Steve Turkiewicz	MT Auto Dealers Assn	✓	
Ray Barnicoat	MACo	✓	
Carl Schweitzer	MT Cont Assoc	—	/
Bill Christianson	MT School Services Found	✓	
Don Allen	CMCST / MT Lumber Products Assoc	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0091	CHRISTIAENS, CHRIS 1/30	3/02	3/4 DEFERRED	EXTEND WORKER'S COMPENSATION COVERAGE TO PRERELEASE, DIVERSIONARY PROGRAMS CONCUR AS AMENDED 3/11 VOTE: 16-0		3/16
SB0116	HARP, JOHN 1/23	2/04		EXCLUDING CERTAIN OUTSIDE SALESMEN FROM OVERTIME AND MINIMUM WAGE LAWS CONCUR 2/4 VOTE: 16-0		2/10
SB0160	RYE, DAVID 1/30	3/02		PROHIBIT DISCRIMINATION FOR LAWFUL USE OF PRODUCT AWAY FROM WORK CONCUR AS AMENDED 3/4 VOTE: 15-1		3/06
SB0163	HARP, JOHN 3/11	3/16		CREATE SAFETY CULTURE ACT REQUIRING EMPLOYERS ESTABLISH SAFETY PROGRAMS CONCUR 3/18 VOTE: 15-1		3/20
SB0164	HARP, JOHN 3/11	3/16		CREATE FRAUD INVESTIGATION OFFICE IN DEPT OF JUSTICE & PREVENTION IN ST FUND CONCUR 3/18 VOTE: 16-0		3/20
SB0184	BLAYLOCK, CHET 2/08	3/02		GENERALLY REVISE UNEMPLOYMENT INSURANCE LAWS CONCUR AS AMENDED 3/4 VOTE: 16-0		3/06
SB0207	WILSON, WILLIAM 2/06	3/04		REVISE THE MONTANA WAGE PROTECTION LAWS CONCUR 3/4 VOTE: 15-1		3/06
SB0223	BARTLETT, SUE 2/23	3/09		REVISE CHILD LABOR LAWS CONCUR AS AMENDED 3/11 VOTE: 10-6		3/16
SB0256	SWYSGOOD, CHUCK 2/23	3/04		DEFINE NONRESIDENT EMPLOYEE OR WORKER IN THIS STATE FOR WORK COMP PURPOSES CONCUR AS AMENDED 3/11 VOTE: 16-0		3/16
SB0270	KEATING, TOM 2/23	3/04		ESTABLISH EMPLOYMENT SECURITY ACCOUNT AND ALLOW FUND TRANSFERS CONCUR 3/4 VOTE: 13-3		3/06
SB0329	KLAMPE, TERRY 3/01	3/09		REVISE PREVAILING WAGE ON PROJECTS FINANCED FROM BOND PROCEEDS AFTER 6/30/93 CONCUR AS AMENDED 3/11 VOTE: 9-7	LABOR & EMPLOYMENT	3/16
SB0329	KLAMPE, TERRY 3/19			REVISE PREVAILING WAGE ON PROJECTS FINANCED FROM BOND PROCEEDS AFTER 6/30/93 CONCUR AS AMENDED 3/11 VOTE: 9-7		3/22

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By Chairman Tom Nelson, on March 16, 1993, at 3:00 p.m.

ROLL CALL

Members Present:

Rep. Tom Nelson, Chair (R)
Rep. Gary Feland, Vice Chair (R)
Rep. Steve Benedict (R)
Rep. Vicki Cocchiarella (D)
Rep. Jerry Driscoll (D)
Rep. Alvin Ellis (R)
Rep. Pat Galvin (D)
Rep. Sonny Hanson (R)
Rep. Norm Mills (R)
Rep. Bob Pavlovich (D)
Rep. Bruce Simon (R)
Rep. Carolyn Squires (D)
Rep. Bill Tash (R)
Rep. Rolph Tunby (R)
Rep. Carley Tuss (D)
Rep. Tim Whalen (D)

Members Excused: None

Members Absent: None

Staff Present: Susan Fox, Legislative Council
Cherri Schmaus, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 361, HB 622, SB 347, HB 628, SB 163, SB 164, HB 453, SB 394, HB 504, HB 13, HB 511 & HB 587
Executive Action: None

PACKAGE OF BILLS FROM THE SELECT COMMITTEE ON WORKERS COMP

Opening Statement by Sponsor:

REP. CHASE HIBBARD, HD 46, Lewis and Clark County, sponsor,

SB 163

REP. HIBBARD stated that this bill will prevent injuries before they occur and will focus on safety. A business with five or more employees will be required to establish a safety committee and a Line of Duty (LOD) procedure. Furthermore, this bill will provide student safety awareness training before these students enter the work force full-time. **REP. HIBBARD** stated that the passage of this bill is very important to the package.

SB 164

REP. HIBBARD stated that this bill deals with prevention. The purpose of SB 164 is to create a fraud investigation office in the Department of Justice and a prevention of fraud office at the State Fund. This bill will allow the State Fund to send the message that fraud won't be tolerated and to give them the tools they need to enforce fraud provisions.

HB 453

REP. HIBBARD stated that this bill complements the fraud provisions in SB 164. The passage of this bill will make thieves pay ten times the amount that would be paid by an insurer on the false claim..

HB 622

REP. HIBBARD stated that this bill is a catch-all bill. The purpose of the bill is to generally revise workers' compensation and occupational disease laws. Everyone is subject to the same rules under this bill. A lawyer who does not pay will be charged with fraud.

SB 394

REP. HIBBARD stated that the passage of this bill will regulate attorney fees for workers' compensation cases.

HB 504

REP. HIBBARD stated that the passage of this bill is necessary to get out from under the problems in workers' compensation more quickly. This bill increases the payroll tax and imposes an employee wage tax to eliminate the old fund unfunded liability.

HB 13

REP. HIBBARD stated that the purpose of this bill is to generally revise workers' compensation laws and to revise the State Fund's budget and funding procedures. The passage of this bill makes sure all findings are reported to the Governor.

HB 511

George Wood, Executive Secretary of the Montana Self Insurance Association, stated that his organization is opposed to HB 504 because of the payroll tax.
He stated his concern with HB 511's cost to the Department of Labor. Furthermore, he stated that stress is a great concern in the United States, but it is hard to categorize stressful situations that will reflect on workers.

He stated that HB 622 needs to be clarified dealing with temporary partial disability benefits. Presently the way the bill is drafted, temporary partial disability claims would receive more than total disability claims.

Don Allen, Coalition of Workers' Compensation System Improvement, stated that there are 215 businesses and organizations in the coalition. Several of them felt that bringing concepts together would help resolve the workers' compensation problems. He stated that his organization does not take a stand on HB 13, but has a strong endorsement on HB's 631, 622, and SB's 163, 164, 347, and 394.

Terry Mitton, Coalition of Workers' Compensation System Improvement, stated that prescription drugs need some control. Furthermore, Montana needs to follow the national standards on managed care. She stated that injured workers want to expedite their return to work. Compliance with medical treatment is necessary. If the patients don't make their appointments, the Department won't work with them.

Pat Sweeney, State Fund, stated that his organization generally supports the entire package of bills because it gives the tools to control the costs in workers' compensation.

Mike Micone, Montana Motor Carriers, stated that rates for motorists have increased and will continue to increase to a double digit number. He proposed an amendment so that several small carriers can combine into a group to get policies as a group and receive some cost reduction. Furthermore, this may encourage private carriers also to set up policies in this state.

Riley Johnson, National Federation of Independent Businesses, stated that HB 511 needs to be researched more. Computers will save time, but cost millions.

He stated that 80 percent of his members don't want payroll tax.

He stated that he supports HB 361 and HB 622 as well as the four bill's sponsored by **SEN. HARP.**

He stated that his organization had several concerns with HB 13; however, with the amendments, they support it. His organization has a 90 percent favoritism for privatization. He stated that an amendment needs to be proposed to support the small businesses.

Russ Logan, Billings Chamber of Commerce, stated that he supports the package and understands the give and take; however, he thinks it is a necessity to make sure the new fund is financially liable in HB 504.

He stated that SB 347 excludes those in the medical community.

James Tutwiler, Chamber of Commerce, stated that he supports the following bills: HB 13 with the amendments, HB 361, HB 622, SB 163, SB 164, and SB 347.

He stated that his organization is opposed to HB 504 because of the payroll tax.

Paul Spetanka, Podiatric Medical Association, stated that his organization supports medical cost containment in HB 347 and HB 628; however, he suggested that podiatrists be considered physicians.

Charles Brooks, Montana Retail Association, stated that perception is 90 percent of reality. Currently there are 6 workers' compensation cases in the court that can't proceed with prosecution because of the poor condition they are in.

Oliver Goe, attorney, commended the select committee and their accomplishments. He stated that HB 361 clarifies who, when and where an individual will qualify for workers' compensation.

He stated that HB 622 clarifies, provides and insures employers rights under the Workers' Compensation Act.

He stated that safety is an important issue; however, his concern is with the potential costs.

He stated that SB 164 affects all insurers.

Insurers can use SB 347 as a tool to handle the increased medical costs.

He stated that he is opposed to HB 511 because it needs added clarification as to what to do with the money.

He stated that HB 628 is a good bill, but he is curious how it will fit in with SB 374.

Bill Prevella, Rehabilitation Association of Montana, stated that his organization's goal this session is to keep workers properly informed. He stated that honesty to employees will make them return to work more quickly.

Mona Jameson, PT Association, stated that her organization supports HB 13 with the proposed amendments. HB 13 will improve the operation of the State Fund.

She stated that her organization would like to see physical therapists included in the scope of the bill and placed in the health loop as a provider.

Gary Lusane, a physical therapist in Bozeman, stated that his organization supports SB 163, SB 164 and HB 511.

Jerome Connolly, Montana Chamber American Physical Therapist Association and a physical therapist in Billings, stated that he supports the package, especially HB 622 because it will return employees to work faster.

Jamey Doggett, Montana Cattlewomen, stated that her organization supports HB's 13, 511, 622, 361 and SB's 163, 164, and 394.

Jacqueline Lenmark, American Insurance Association, stated that her organization supports the package, but has a concern with SB 347 dealing with rural workers and emergency care.

Keith Olsen, Executive Officer of Montana Logging Association, stated that his organization supports Senator Harp's bills. He stated that today it is cost versus value. This package may provide a competitive advantage for Montana.

Harley Thompson, Building Industry Association, stated that his organization supports SB's 163, 164, 347 and HB's 361 and 622. He stated that they feel that this package will repair the mess that workers' compensation is in at the current time.

Mark Sonyu, Workers' Compensation System Improvement, stated that his organization supports the package.

Russ Ritter, Washington Corporation, stated that there are 3,000 employees in his company. All of these employees are covered under this system except about 800 Rail Link employees.

Sam Hubbard, Deaconess Medical Hospital in Billings, stated that his organization is in support of SB 347 because of the medical cost containment.

Bob Olsen, Montana Hospital Association, stated that his organization supports HB 511 and all of the fraud bills.

Leslie Ranch, General Well service, (EXHIBIT #4).

Tom Arvidson (EXHIBIT #5).

Edsall Construction (EXHIBIT #6).

Dolphin Harris, President of Sidney Millwork Company (EXHIBIT #7).

Ardine (Dean) Bjerke (EXHIBIT #8).

Harley Thompson, Montana Building Industry Association to the Coalition for Workers Compensation System Improvement (CWCSI), (EXHIBIT #9).

Michael Mizenko, Montana State Association of Plumbers and Pipe Fillers and Montana State Building and Construction Council, (EXHIBIT #10).

Opponents' Testimony:

Dan Edward, Oil Chemical Workers' Union, provided the committee with a handout called titled "OCAN". **(EXHIBIT #18)**
He stated that not all employees who are hurt on the job are involved in fraud. Most of employees are honest and hard working. He stated that his biggest concern is with the language that provides secondary medical services on returning employees back to work. He asked who decides what is cost effective? He stated that the passage of these bills may be hurting those who need the most help.

Don Judge, Montana AFL-CIO, stated that his organization is opposed to HB's 361 and 504 and SB's 347 and 394. Furthermore, his organization supports HB's 511, 622, 628 and SB 163.

He stated that his concern with HB 361 is that it limits workers benefits, on one part of the body, to 350 weeks rather than an entire lifetime.

He stated that HB 511 is a good bill and he believed it would help correct the problems by providing the information needed in order to make decisions.

He stated that SB 347 is the worst bill in the package because if an employee is seriously hurt on the job, they are fixed and that is the extent of their coverage. These injured employees don't receive benefits for emotional stress or anything that may arise at a later date, due to the accident.

He stated that SB 394 limits attorney fees and should be listed under cost containment. Furthermore, it limits benefits to injured workers, not costs. He urged the committee to vote on this bill separately and not part of the package.

John Alke, Montana Defense Lawyers, stated that his interest deals with the amendment on SB 394. Capping the money insurers can pay their counsel is unreasonable because currently there is no limit for the defense. He asked how workers' compensation will be served after 100 hours of work is performed and the lawyer must stop.

John Malee, Montana Federation of Teachers and State Employees, stated that his organization is opposed to the package on workers' compensation.

Russell Hill, Montana Trial Lawyers, stated that HB 361 provides potential for added costs.

He stated that SB 164 will provide a new risk and burden to employees. He provided the committee with several handouts. **(EXHIBITS # 11, 12, 13, 14, AND 15)**

Dan Shea, self, provided the committee with written testimony. **(EXHIBIT # 16 AND #19).** He stated that the working poor are the majority of the work force and he feels they are not represented in this legislation. He asked where the money comes from for the necessary visits to their physicians. He stated that these employees fall into a catch 22 situation. He referred to the letter he provided the committee and stated that it provides solutions of how to deal with this situation. These people are denied equal protection of the law and can't afford the co-payments. He stated that if the attorney fees are capped, the defense also needs a cap. If this cap does not occur, defense will wait until the attorney is no longer on the case and win the case. Furthermore, the number for this cap seems to be picked out of a hat with no rationale behind it. He stated that if they put a cap on medical, everyone would be out of time.

Lars Erickson, Montana State Council for Carpenters, stated that his organization supports HB's 511, 622, 628 and SB's 163 and 164. He stated that his organization is opposed to HB's 504, 361 and SB 394 and SB 347. He stated that SB 347 is the worst bill in the package.

Bill Egan, Conference of Electrical Workers, stated that his organization doesn't support workers' compensation in the first place because it eliminates due process. He stated that his organization is opposed to HB 504 and HB 361. Furthermore, his organization supports SB 394 if there could be caps on both sides of the fence. They also support SB 347 as amended. He stated that the baby should not be thrown out with the bath water.

Marie Gritzuk, Interdepartmental Coordinating Committee for Women (ICCW), (EXHIBIT #17).

Questions From Committee Members and Responses:

REP. DRISCOLL referred to SB 394 and asked John Alke if $7,500 is the maximum that can be spent to defend against insurance companies? Furthermore, he asked if they could still hire a staff attorney?

John Alke stated that not all workers' compensation claims are with the State Fund.

REP. DRISCOLL asked Mr. Alke if he thinks $7,500 is a good limit?

John Alke stated no.

HOUSE OF REPRESENTATIVES

LABOR COMMITTEE

ROLL CALL DATE 3/16/93

NAME	PRESENT	ABSENT	EXCUSED
REP. TOM NELSON, CHAIRMAN	✓		
REP. GARY FELAND, VICE CHAIRMAN	✓		
REP. STEVE BENEDICT	✓		
REP. VICKI COCCHIARELLA	✓		
REP. JERRY DRISCOLL	✓		
REP. ALVIN ELLIS	✓		
REP. PAT GALVIN	✓		
REP. SONNY HANSON	✓		
REP. NORM MILLS	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CAROLYN SQUIRES	✓		
REP. BILL TASH	✓		
REP. ROLPH TUNBY	✓		
REP. CARLEY TUSS	✓		
REP. TIM WHALEN	✓		

DATE 3/16/93

HB WC Package

WORKERS COMPENSATION PACKAGE
OUTLINE

I MAJOR AREAS OF REFORM

A. MODIFYING OR RESTRICTING ACCESS TO BENEFITS
1. HB 361 HIBBARD
2. HB 622 EWER (PARTS)

B. MEDICAL COST CONTAINMENT
1. SB 347 HARP
2. HB 628 TOOLE

C. SAFETY
1. SB 163 HARP

D. FRAUD
1. SB 164 HARP
2. HB 453 MOLNAR
3. HB 622 EWER (AMENDMENTS)

E. ATTORNEY FEES
1. SB 394 HARP

II OLD FUND PROBLEM

A. PAYING FOR THE UNFUNDED LIABILITY ($400 -426 MM)
1. HB 504 BENEDICT .05% PAYROLL TAX

III NEW FUND MANAGEMENT AND BOARD

A. HB 13 BENEDICT
B. HB 622 (AMENDMENTS)

IV SYSTEM IN GENERAL

A. HB 511 HIBBARD
B. HB 587 HARPER
C. HB 622 EWER (PARTS)

V BILLS SIGNIFICANT BUT NOT PART OF THE PACKAGE

A. HB 470 DRISCOLL - INDEPENDENT CONTRACTORS
SCHEDULED HEARING TUESDAY AT 3:00 PM IN SENATE LABOR - ALREADY PASSED HOUSE LABOR

THIS BILL REQUIRES ALL INDEPENDENT CONTRACTORS IN THE CONSTRUCTION INDUSTRY TO PURCHASE WORKER'S COMPENSATION COVERAGE, AND THEY ARE NOT ALLOWED TO EXEMPT THEMSELVES FROM COVERAGE.

ALSO PROVIDES THAT THE DEPARTMENT OF LABOR WILL PURSUE REPORTS OF UNINSURED INDEPENDENT CONTRACTORS.

EXHIBIT #4
DATE 3/16/93
HB WR Comm

GENERAL WELL SERVICE, INC.

BOX 308
CUT BANK, MONTANA 59427
OFFICE PHONE (406) 873-5081
SHOP PHONE (406) 873-4862
FAX NUMBER: 1-406-873-5083

TELEFAX COVER SHEET

DATE: 3-17-93 FROM: General Well Service Leslie Ranck

TO: TOM NELSON, CHAIRMAN,

COMPANY: HOUSE LABOR + EMPLOYMENT RELATIONS Committee

ATTENTION: Committee Members FAX NO.: 1-444-4105

NUMBER OF PAGES INCLUDING COVER SHEET: 1

REFERENCE/COMMENTS:

We are in Support of the following:
SB-163, SB-164 SB-347, SB-394 (Harp)
H-B-361 (Hibbard)
H-B-620 (Ewer)
Thank You (Please vote in favor of)
Leslie Ranck

EXHIBIT
DATE 3/16/93
HB

Anderson's Masonry Supply

36 WOODLAND PARK DRIVE KALISPELL, MONTANA 59901
(406) 755-2497
FAX (406) 756-8706

Bill 431

FAX TRANSMITTAL FORM

DATE: 3-16-93

NUMBER OF PAGES - INCLUDING THIS ONE: 1

TO FAX #: 444-4105

COMPANY NAME: House Labor + Employment Relations Committee

ATTENTION: Tom Nelson - Gary Feland - Steve Benedict
Vicki Cocchiarella, Jerry Driscoll, Alvin Ellis,
Patrick Gervais, Sonny Hanson - Norm Mills
Bob Pavlovich, Bruce Simon, Carolyn Squires
Bill Tash, Ralph Tunby, Carley Tuss - Tim Whalen

~~FROM:~~

COMPANY NAME: Anderson's Masonry Supply

FAX #: (406) 756-8706

From: Tom Arvidson

COMMENTS:

Straighten out Work Comp
Vote for SB 163 - SB 164
SB 347 - SB 394 - HB 361
+ HB 622 These are
necessary parts of a good
Work Comp program!

IF ANY OF THE PAGES ARE NOT LEGIBLE, OR YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL THE SENDER AT 1-406-755-2497

EXHIBIT 1 #6
DATE 3/16/93
HB Bus 431

EDSALL CONSTRUCTION COMPANY
GENERAL CONTRACTOR

P.O. BOX 1147 BOZEMAN, MONTANA 59771

PHONE (406) 587-0614
FAX (406) 585-1733

House Labor Committee

All Members,

I urge your support for

3-16-93 SB 163
3-16-93 SB 164
3-16-93 SB 347
3-16-93 SB 394
3-16-93 HB 361
3-16-93 HB 662

Thank you.
Edsall Const.
Wayne Edsall Pres

EXHIBIT 4E
DATE 3/16/93
HB

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Empicyment Relations Committe

ATTN: Mr. Tom Nelson, Chairman (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr Gary Feland, Vice Chairman (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr. Steve Benedict, (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Ms. Vicki Cocchiarella (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr. Jerry Driscoll, (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Mr. Alvin Ellis, Jr. (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr. Patrick Galvin (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor <u>for</u>:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Mr. Sonny Hanson (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor <u>for</u>:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

Exhibit #8
3-16-93

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr. Norm Mills (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Mr. Bob Pavlovich (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr. Bruce Simon (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Ms. Carolyn Squires (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Mr. Bill Tash (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Mr. Roph Tunby (R)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

EXHIBIT #8
DATE 3-16-93
HB

DIAMOND CONSTRUCTION, INC.
2905 NORTH MONTANA AVENUE
P O BOX 5987
HELENA, MT 59604-5987

PHONE: (406) 443-3373
FAX: (406) 442-2450

DATE: March 16, 1993

TO: House Labor and Employment Relations Committe

ATTN: Ms. Carley Tuss (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

DATE: March 16, 1993

TO: Labor and Employment Relations Committe

ATTN: Mr. Tim Whalen (D)

FROM: Ardine (Dean) Bjerke

COMMENTS:

Please vote in favor for:

SB 163 (Harp)
SB 164 (Harp)
SB 347 (Harp)
SD 394 (Harp)
HB 361 (Hibbard)
HB 622 (Ewer)

Homebuilders Assoc. of Billings
252-7533

S.W. Montana Home Builders Assoc.
585-8181

Great Falls Homebuilders Assoc.
452-HOME

Montana
BUILDING INDUSTRY
ASSOCIATION

Flathead Home Builders A
752-2522

Missoula Chapter of NAHB
273-0314

Helena Chapter of NAHB
449-7275

Nancy Lien Griffin, Executive Director
Suite 4D Power Block Building • Helena, Montana 59601 • (406) 442-4479

EXHIBIT #9
DATE 3/16/93
HB

SB 163, 164, 347, 394
&
HB 361, 622

Recommend:
DO PASS

Mr. Chairman: Members of the Committee:

I am Harlee Thompson a delegate from the Montana Building Industry Association to the Coalition for Worker Compensation System Improvement. (CWCSI)

The Montana Building Industry Association (MBIA) and I would like to commend the Select Committee for the great job and long hard hours they have put into addressing the problems of our work comp system.

The Montana Building Industry Association wants to go on record as being in support of SB 163, 164, 347, 394 and HB 361,622. These bills are a very important part of the reforms that the Coalition for Work Comp System Improvement and the Montana Building Industry Association have been supporting in the effort to repair the mess the work comp system is in.

These bills deal with a large variety of concerns in the work comp system including issues from areas of safety, medical, fraud, and the legal profession.

We recommend a do pass on SB 163, 164, 347, 394 an HB 361, 622

EXHIBIT 11
DATE 3/16/93
HB

Montana Trial Lawyers ASSOCIATION

Directors:
Wade Dahood
Director Emeritus
Monte D. Beck
Thomas J. Beers
Michael D. Cok
Michael W. Cotter
Karl J. Englund
Robert S. Fain, Jr.
Victor R. Halverson, Jr.
Gene R. Jarussi
Peter M. Meloy
John M. Morrison
Gregory S. Munro
David R. Paoli
Paul M. Warren
Michael E. Wheat

Executive Office
#1 Last Chance Gulch
Helena, Montana 59601
Tel: 443-3124

Officers:
Thomas J. Beers
President
Monte D. Beck
President-Elect
Gregory S. Munro
Vice President
Michael E. Wheat
Secretary-Treasurer
William A. Rossbach
Governor
Paul M. Warren
Governor

March 3, 1993

Rep. Chase Hibbard, Chair
House Select Committee on Workers Compensation
Room 325, State Capitol
Helena, MT 59624

RE: SB 163

Mr. Chair, Members of the Committee:

Thank you for this opportunity to express MTLA's qualified support for SB 163.

MTLA has long advocated safety programs to reduce workplace injuries, workers compensation claims, and ultimately employer premiums. MTLA supports the provisions in SB 163 which require employers to establish and administer safety programs. MTLA supports the provisions in SB 163 which require employees to participate in ongoing safety training programs. MTLA supports the provisions in SB 163 which require workers compensation insurers to provide safety consultation services to their policyholder employers. And MTLA supports the provisions in SB 163 which implement variable pricing levels to reward employers with good safety records and penalize employers with poor safety records.

However, MTLA opposes several provisions of SB 163:

1. Section 9, which provides virtually blanket immunity to workers compensation insurance companies, cripples the bill. Expert safety consultation services are the key component of this plan to reduce workplace injuries, and SB 163 properly requires insurers to provide safety consultation services. But then the bill insulates those same insurers from liability when they carelessly furnish those services, even when they are grossly negligent in furnishing those services. Since civil liability provides more reliable guarantees of compliance than administrative enforcement, MTLA proposes the accompanying amendment to Section 9.

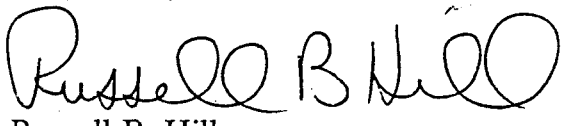
2. As amended by the Senate, Section 5 mandates the department of labor to adopt rules which require "an employer of more than five employees to have a comprehensive and effective safety program" (page 5, lines 23-24), yet those employers have no recourse whatsoever against insurers who provide only minimal, ineffective safety consultation services. In other words, SB 163 subjects non-complying employers to increased penalties (for example, Section 10, subsection (1)(a), page 9, line 22 through page 10, line 4) with no corresponding guarantee that they can comply.

3. SB 163 insulates the State Fund, private insurers, and self-insurers alike from liability but requires no corresponding demonstration by private insurers or self insurers that their safety consultation services are efficient or effective. Section 10 should require all workers compensation insurers, not just the State Fund (page 10, lines 15-16) to regularly record and report expenditures for safety consultation services separately, in conjunction with their loss experience.

4. Section 7 requires workers compensation insurers to provide safety consultation services upon request but establishes no meaningful standard for those services. Safety engineering is a recognized discipline, and SB 163 should require safety consultation services to meet the objective criteria of nationally recognized certifying bodies.

Thank you for considering these comments. If I can provide additional information or assistance, please notify me.

Respectfully,



Russell B. Hill
Executive Director

Exhibit #11
3-16-93
SB-163

Amendments to Senate Bill 163
Third Reading Bill (Blue Copy)

Requested by the Montana Trial Lawyers Association
March 16, 1993

1. Page 8, line 21.
Following: "(1)"
Strike: "The"
Insert: "Except in cases of gross negligence or willful or wanton misconduct, the"

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Labor & Employment Relations COMMITTEE BILL NO. SB 163

DATE March 16, 1993 SPONSOR(S) J. Harp

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Russ Fagan	Bldg Trades	X	
Charles R. Brooks	MT Rpt'n & Lift Assoc	X	
Don Judge	MT STATE AFL-CIO	X	
Dan Edwards	OCAW	X	
Lorna Frank	Mt. Farm Bureau	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Labor & Employment Relations COMMITTEE BILL NO SB 163

DATE March 16, 1993 SPONSOR(S) J. Harp

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jacqueline Denmark	Am. Ins. Assoc.	X	
WAYNE EDSALL	EDSALL CONSTRUCTION Co	X	
C. HUNTER	DLI	X	
Mike Moore	NMCA	X	

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HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Labor & Employment Relations COMMITTEE BILL NO. SB 163

DATE March 16, 1993 SPONSOR(S) J. Harp

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
George Wood	Mt Self Insurers Assn	✓	
Jim Twitwiler	Mont Chamber	✓	
Rich Hill	Gov Office	✓	
Riley Johnson	NFIB	✓	
Don Allen	CWCSI	✓	
TERRY MITTON	CWCSI	✓	
Gary Zimm	MT PT Assoc	✓	
Jerome Blendly	MT Ch. Amer. PT. Assoc	✓	
Jamie Doggett	MT Cattlewomen	✓	
HARlee Thompson	MBIA	✓	
Mark Sonju	CWCSI	✓	
LARS ERICSON	CARPENTERS UNION - CWCSI	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By Chairman Tom Nelson, on March 18, 1993, at 3:00 p.m.

ROLL CALL

Members Present:

Rep. Tom Nelson, Chair (R)
Rep. Gary Feland, Vice Chair (R)
Rep. Steve Benedict (R)
Rep. Vicki Cocchiarella (D)
Rep. Jerry Driscoll (D)
Rep. Alvin Ellis (R)
Rep. Pat Galvin (D)
Rep. Sonny Hanson (R)
Rep. Norm Mills (R)
Rep. Bob Pavlovich (D)
Rep. Carolyn Squires (D)
Rep. Bill Tash (R)
Rep. Rolph Tunby (R)
Rep. Carley Tuss (D)
Rep. Tim Whalen (D)

Members Excused: Rep. Simon

Members Absent: None

Staff Present: Susan Fox, Legislative Council
Cherri Schmaus, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	None
Executive Action:	SB 163, HB 453, SB 164, HB 587, HB 622, HB 361, SB 347, HB 628, SB 394, HB 504, HB 13, HB 511

EXECUTIVE ACTION ON SB 163

Motion: **REP. DRISCOLL MOVED SB 163 DO BE CONCURRED IN.**

Discussion: None

Motion/Vote: **REP. DRISCOLL MOTIONED FOR SB 163 DO BE CONCURRED IN.** The question was called. A voice vote was taken. The motion **CARRIED** 15 to 1 with **REP. WHALEN** voting no.

EXECUTIVE ACTION ON HB 453

Motion: **REP. BENEDICT MOVED HB 453 DO PASS. REP. BENEDICT MOVED HIS PROPOSED AMENDMENTS (EXHIBIT #1).** The question was called on the amendments. The motion to DO PASS the amendments carried unanimously. **REP. BENEDICT MOVED HB 453 DO PASS AS AMENDED.**

Discussion:

REP. WHALEN stated that the same provision is contained in HB 622, page 31, section 12, line 11-15. He stated that he feels a need to reconcile what is being done. He motioned to strike the new language in subsection 2 and to put coordinating instruction on HB 453 so it reads like HB 622.

REP. BENEDICT resisted the motion and referred to 45-6-301, MCA.

Susan Fox, Legislative Council, stated that it doesn't provide a conflict and the code commissioner will take care of the renumbering; therefore, an amendment is not necessary.

Motion/Vote: **REP. BENEDICT MOVED HB 453 DO PASS AS AMENDED.** The question was called. A voice vote was taken. The motion **CARRIED** unanimously.

EXECUTIVE ACTION ON SB 164

Motion: **REP. BENEDICT MOVED SB 164 BE CONCURRED IN.**

Discussion: None

Motion/Vote: **REP. BENEDICT MOVED SB 164 BE CONCURRED IN.** The question was called. A voice vote was taken. The motion **CARRIED** unanimously.

EXECUTIVE ACTION ON HB 587

Motion: **REP. BENEDICT MOVED HB 587 DO PASS.**

Discussion: None

Motion/Vote: **REP. BENEDICT MOTIONED HB 587 DO PASS.** The question was called. A voice vote was taken. The motion **CARRIED** unanimously.

HOUSE OF REPRESENTATIVES

LABOR COMMITTEE

ROLL CALL DATE 3/10/93

NAME	PRESENT	ABSENT	EXCUSED
REP. TOM NELSON, CHAIRMAN	✓		
REP. GARY FELAND, VICE CHAIRMAN	✓		
REP. STEVE BENEDICT	✓		
REP. VICKI COCCHIARELLA	✓		
REP. JERRY DRISCOLL	✓		
REP. ALVIN ELLIS	✓		
REP. PAT GALVIN	✓		
REP. SONNY HANSON	✓		
REP. NORM MILLS	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON			✓
REP. CAROLYN SQUIRES	✓		
REP. BILL TASH	✓		
REP. ROLPH TUNBY	✓		
REP. CARLEY TUSS	✓		
REP. TIM WHALEN			

HOUSE STANDING COMMITTEE REPORT

March 19, 1993

Mr. Speaker: We, the committee on Labor report that Senate BIll 163 (third reading copy -- blue) be concurred in .

Signed: Tom Nelson
Tom Nelson, Chair

Carried by: Rep. Driscoll

Committee Vote:
Yes 15, No 1.

621824SC.Hss

3/18/19

Gary Fabian has
my proxy for all
votes that I miss in
House Labor today

3-18-93

Please vote one with Rep Nelson on all bills and amendments this day

Rep. Bruce Simon